



U.S. Department
of Transportation

**Federal Transit
Administration**

CIRCULAR

FTA C 6100.1D

DATE: May 1, 2011

**Subject: RESEARCH, TECHNICAL ASSISTANCE AND TRAINING PROGRAMS:
APPLICATION INSTRUCTIONS AND PROGRAM MANAGEMENT
GUIDELINES**

1. **PURPOSE.** This circular is a re-issuance of guidance on application procedures and project management responsibilities for FTA's National Research Programs. This revision incorporates provisions of the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), as amended, Pub. L. 109-59 and Pub. L. 110-244 and includes the most current guidance for the Federal public transportation program as of the date of the publication.

These requirements are intended to assist recipients in administering FTA-funded projects and in meeting federal assistance responsibilities and reporting requirements. Recipients have a responsibility to comply with regulatory requirements and to be aware of all pertinent material to assist in the management of federal assistance.

2. **CANCELLATION.** This circular, when final, will cancel FTA Circular 6100.1C, "Transit Research and Technology Programs: Application Instructions and Program Management Guidelines," dated 5-2-2003.
3. **AUTHORITY.**
 - a. Federal Transit Laws, codified at 49 U.S.C. Chapter 53.
 - b. 49 CFR 1.51.
4. **WAIVER.** FTA reserves the right to waive any provision of this circular to the extent permitted by federal law or regulation.
5. **FEDERAL REGISTER NOTICE.** In conjunction with publication of this circular, a *Federal Register* notice was published on April 04, 2011 (76 FR 18624), addressing comments received during the development of the circular.
6. **AMENDMENTS TO THE CIRCULAR.** FTA reserves the right to update this circular to reflect changes in other revised or new guidance and regulations that undergo notice and comment without further notice and comment on this circular. FTA will post updates on our website: <http://www.fta.dot.gov>. The website allows the public to register for

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notification when FTA issues *Federal Register* notices or new guidance. Please visit the website and click on “sign up for e-mail updates” for more information.

7. ACCESSIBLE FORMATS. This document is available in accessible formats upon request. To obtain paper copies of this circular as well as information regarding these accessible formats, telephone FTA’s Administrative Services Help Desk, at 202-366-4865. Individuals with hearing impairments may contact the Federal Relay Service at 800-877-8339 for assistance with the call.

Original signed by Therese McMillian for

Peter Rogoff
Administrator

**6100.1D RESEARCH, TECHNICAL ASSISTANCE AND TRAINING PROGRAM
CIRCULAR**

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CHAPTER I

INTRODUCTION AND BACKGROUND

1. **THE FEDERAL TRANSIT ADMINISTRATION (FTA)**. FTA is one of 10 modal administrations within the U.S. Department of Transportation (DOT). Headed by an Administrator who is appointed by the President of the United States, FTA functions through a Washington, D.C., headquarters office, 10 regional offices, and five metropolitan offices that assist transit agencies in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, Northern Mariana Islands, American Samoa, and federally recognized Indian tribes.

Public transportation includes buses, subways, light rail, commuter rail, monorail, passenger ferry boats, trolleys, inclined railways, people movers and vans. Public transportation can be either fixed-route or demand-response service.

The federal government, through FTA, provides financial assistance to develop new transit systems and improve, maintain and operate existing systems. FTA oversees thousands of federally assisted projects implemented by hundreds of state and local transit providers, primarily through its regional and metropolitan offices. These recipients are responsible for managing their programs in accordance with federal requirements and FTA is responsible for ensuring that recipients follow federal statutory and administrative requirements.

2. **AUTHORIZING LEGISLATION**. Most federal transit laws are codified at 49 U.S.C. Chapter 53. Authorizing legislation is substantive legislation enacted by Congress that establishes or continues the legal operation of a federal program or agency. Congress has amended FTA's authorizing legislation every four to six years. FTA's most recent authorizing legislation is the Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Pub. L. 109-59, signed into law on August 10, 2005, as amended by the SAFETEA-LU Technical Corrections Act, 2008, Pub. L. 110-244, June 6, 2008. SAFETEA-LU authorizes FTA programs from Federal Fiscal Year (FY) 2006 through FY 2009; continuing resolutions have extended these programs. Changes have been added to this circular to reflect the SAFETEA-LU changes to federal transit law and to reflect changes required by other laws that have become effective since the circular was last published in 2003.

3. **HOW TO CONTACT FTA**.

Visit FTA's website, <http://www.fta.dot.gov>, or contact FTA headquarters at the following address and phone number:

Federal Transit Administration
Office of Communication and Congressional Affairs
1200 New Jersey Avenue SE
Room E56-205
Washington, D.C. 20590

Phone: 202-366-4043

Fax: 202-366-3472

4. GRANTS.GOV. FTA posts all competitive grant opportunities on Grants.gov. Grants.gov is the one website for information on all discretionary federal grant opportunities. Led by the U.S. Department of Health and Human Services (DHHS) and in partnership with federal grant-makers including 26 agencies, 11 commissions, and several states, Grants.gov is one of 24 federal cross-agency e-government initiatives. It is designed to improve access to government services via the Internet. More information about Grants.gov is available at <http://www.grants.gov>.
5. DEFINITIONS. All definitions in 49 U.S.C. Subsection 5302(a) apply to this circular as well as the following definitions:
 - a. Accrual Basis of Accounting: The accounting method where income is recognized when earned instead of when received and expenses are recognized when incurred instead of when paid.
 - b. Acquisition Cost of Project Property and Purchased Equipment: The purchase price of equipment. This is the net invoice unit price, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment usable for the intended purpose. Other charges such as the cost of inspection, installation, transportation, taxes, duty, or protective in-transit insurance should be treated, in accordance with the recipient's regular accounting practices, as separate line items. The cost of items separately installed and removable from rolling stock, such as fare boxes and radios, is treated as a separate acquisition and not as part of the cost of the vehicle.
 - c. Activity Line Item (ALI): The description and dollar amount contained in the budget for an approved project activity associated within a particular scope approved as part of a Cooperative Agreement or Grant Agreement (federal assistance agreement). ALIs under each scope are informational and are used as tools for FTA and the recipient to manage the federal assistance agreement.
 - d. Administering Office: The Headquarters, Regional, or Metropolitan office responsible for the award and administration of an FTA or FTA-assisted project covered by this circular.
 - e. Administrative Amendment: A minor change in a Cooperative Agreement, Grant Agreement, or Other Agreement normally initiated by FTA to modify or clarify certain terms, conditions or provisions of a project.
 - f. Agreement: Includes a Cooperative Agreement, Grant Agreement, or Other Agreement.

- g. Budget Revision: Any change within the scope of the project that has impact on budget allocations of the original project. A budget revision may be a transfer of funds within a project scope or between existing Activity Line Items (ALIs) within an approved project. It could also include the addition or deletion of an ALI.
- h. Cash Basis of Accounting: Cash basis of accounting is the method in which revenue is recorded when received, rather than when earned, and expenses are recorded when paid, rather than incurred. FTA does not permit the Federal Financial Report (FFR) to be prepared in the cash method of accounting.
- i. Catalog of Federal Domestic Assistance (CFDA): The Catalog of Federal Domestic Assistance is a government-wide compendium of federal programs, projects, services and activities that provide assistance or benefits to the American public. It contains financial and non-financial assistance programs administered by departments and agencies of the federal government. As the basic reference source of federal programs, the primary purpose of CFDA is to assist users in identifying programs that meet specific objectives of the potential applicant and to obtain general information on federal assistance programs. In addition, the intent of CFDA is to improve coordination and communication between the federal government and state and local governments. The CFDA number assigned to each program is used to report and track audit findings related to federally assisted projects.
- j. Cooperative Agreement: An award of federal financial assistance in the form of money, or property in lieu of money, by the federal government to a recipient in which the federal government anticipates a substantial role, as set forth in 31 U.S.C. Section 6305. At a minimum, FTA's role includes the right to participate in decisions to redirect and reprioritize project activities, goals and deliverables. For this circular, the term "federal assistance" is inclusive of Cooperative Agreements and Grant Agreements unless specified otherwise.
- k. Cost of Project Property: The purchase price of project property. This is the net invoice unit price, including the cost of modifications, attachments, accessories or auxiliary apparatus necessary to make the equipment usable for the intended purpose. Other charges such as the cost of inspection, installation, transportation, taxes, duty or in-transit insurance should be treated in accordance with the recipient's regular accounting practices, in the same or as separate line items. The cost of items separately installed and removable from rolling stock, such as fare boxes and radios, is treated as a separate acquisition and not as part of the cost of the vehicle if not included in the procurement of rolling stock.
- l. Depreciation: Method used to calculate the reduction in value of an item of personal or real property over time. Depreciation is the term most often used to indicate that personal property has declined in service potential. For the purpose of this circular, it is also a method of determining fair market value when disposing of an asset prior to the end of its useful life.

- m. Discretionary Funding: Federal assistance distributed at the discretion of the agency as distinct from formula funding.
- n. Equipment: An article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purposes, or \$5,000. Equipment includes rolling stock and all other such property used in the provision of public transit service.
- o. Equipment Inventory: A physical inventory of personal (non-real) property taken with the results reconciled with the personal property records.
- p. Excess Property: Property that the recipient determines is no longer required for its needs or fulfillment of its responsibilities that has not met its useful life under an FTA-assisted project.
- q. Fair Market Value: The most probable price equipment or project property would bring in a competitive and open market.
- r. Federal Assistance: Refers to the transfer of money, property, services or anything of value by the federal government, the principal purpose of which is to accomplish a public purpose of support or stimulation authorized by federal statute. Federal assistance includes federal financial assistance or other benefits for a governmental or non-governmental entity other than a department or agency of the federal government. For FTA's National Research Programs, federal assistance is most frequently awarded through Cooperative Agreements, and less often through Grant Agreements, Other Agreements, Other Transactions, or Sub-agreements. A financial assistance instrument may also fund more than one project or a portion of a project.
- s. Grant: An award of federal financial assistance in the form of money, or property in lieu of money, by the federal government to an eligible recipient, in which the federal government does not anticipate a substantial role, as set forth in 31 U.S.C. Section 6304. For this circular, the term "Federal Assistance" is inclusive of Grant Agreements and Cooperative Agreements unless specified otherwise.
- t. Grantee: An entity to which a grant is awarded directly by FTA to support a specific project in which FTA does not take an active role or retain substantial control, as set forth in 31 U.S.C. Section 6304. Used interchangeably with "Grant Recipient" or "Recipient."
- u. Grant Period: See "Project Period."
- v. Grant Scope: See "Scope of the Project."
- w. Incidental Use of Project Property and Equipment: The authorized use of real property and equipment acquired with FTA assistance for purposes of transit service but which

also has limited non-transit use due to transit operating circumstances. Such use must be compatible with the approved purposes of the project and not interfere with intended public transportation uses of project assets.

- x. Key Person: The recipient's Principal Investigator or Project Manager of a research project and anyone identified in the project award as key personnel. Changes in key persons specified in the application or project agreement must receive prior approval.
- y. Master Agreement: The official FTA document containing FTA and other cross-cutting federal requirements applicable to the FTA recipient of federal assistance and its project. The Master Agreement is typically revised annually in October. The Master Agreement is incorporated by reference and made part of each FTA cooperative agreement, grant agreement and amendment thereto.
- z. NEPA: National Environmental Policy Act (NEPA), signed into law on January 1, 1970, 42 U.S.C. Sections 4321–4370d, declares a national policy to safeguard the environment and created the Council on Environmental Quality in the Executive Office of the President. To implement the national environmental policy, NEPA requires that environmental factors such as noise, air, vibration, groundwater, habitat, wildlife and historic resources be considered when federal agencies make decisions and that a detailed statement of environmental impacts be prepared for all major federal actions significantly affecting the quality of the human environment.
- aa. Net Present Value: The discounted monetized value of expected net benefits (i.e. benefits minus costs). It is calculated by assigning monetary values to benefits and costs, discounting future benefits and costs using an appropriate discount rate to obtain a present value, and subtracting the sum total of discounted costs from the sum total of discounted benefits.
- bb. Net Proceeds from the Sale of Project Equipment and Real Property: The amount realized from the sale of property no longer needed for transit purposes less the expense of any actual and reasonable selling and any necessary expenses associated with repairs to make saleable.
- cc. Principal Investigator: The Principal Investigator or Project Manager is the individual representing the recipient responsible for controlling the technical direction and quality of the project and ensuring that the project is carried out in compliance with all pertinent laws, regulations, policies and award terms.
- dd. Prior Approval: Means prior written or electronic approval from an authorized FTA official. Prior approval can take the form of FTA's acceptance of the proposal and/or proposal budget and subsequent incorporation into the award, or written or electronic approval of a separate request submitted by the recipient.
- ee. Program Income: Gross income received by the recipient or sub-recipient directly produced by a project supported activity or earned only as a result of the federally

assisted project during the project period (the time between the effective date of the federal assistance award and the ending date of the project supported by that award reflected in the final financial report).

- ff. Project Amendment: The modification of a project that includes a change in scope and/or change in amount of federal funds.
- gg. Project Period: The period established in the award document during which federal sponsorship begins and ends.
- hh. Project: For the purposes of the FTA program, public transportation research activities with a specific goal funded under one or more executed financial assistance agreements. An agreement may also fund more than one project or a portion of a project.
- ii. Project Manager: See Principal Investigator.
- jj. Project Property: Includes rolling stock and other equipment, real property and supplies.
- kk. Project Scope: See “Scope of the Project.”
- ll. Public Transportation: Transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter, sightseeing or intercity bus transportation, or intercity passenger rail transportation provided by AMTRAK. The terms “transit,” “mass transportation” and “public transportation” are used interchangeably in transit law.
- mm. Real Property: Land, including affixed land improvements, structures and appurtenances. Real property does not include movable machinery and equipment.
- nn. Recipient: An entity that receives federal assistance directly from FTA, including recipients of Cooperative Agreements, recipients of Grant Agreements, and recipients of Other Agreements. This includes private sector recipients of grants or sub-grants, but not federal contractors under contract directly with FTA.
- oo. Remaining Federal Interest for Dispositions before the End of Useful Life: The amount calculated by multiplying the current fair market value or proceeds from a sale by FTA’s share of the property. Fair market value is the greater of the unamortized value of the remaining service life based on straight line depreciation of the original purchase price of the property or the federal share of the sales proceeds.
- pp. Research and Development: Research and development includes all research activities, both basic and applied, and all development activities that are supported at universities, colleges, other nonprofit institutions, for-profit, and governmental entities. “Research” is defined as a systematic study directed toward fuller scientific

knowledge or understanding of the subject studied. “Development” is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems or methods, including design and development of prototypes and processes. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

- qq. Sales Proceeds: Sales proceeds are the net proceeds resulting from the disposition of excess real property or equipment that was purchased in whole or in part with federal assistance provided by FTA.
- rr. Scope of the Project: The broad purpose of a specific project supported by the Cooperative Agreement, Grant Agreement, or other Agreement. There may be multiple scopes identifying each of the different activities within a Cooperative Agreement, Grant Agreement, or other Agreement and each scope may contain a number of activities or tasks which represent the estimate of actions needed to complete the project. FTA reserves the right to consider other information in determining the “scope of the project” when that term is used for legal purposes. See the Master Agreement, *supra*.
- ss. Straight Line Depreciation: In the absence of fair market value or when FTA determines that the use of the fair market value is inappropriate, straight line depreciation method is used to determine the remaining useful life of property. This method is considered as a function of time instead of a function of usage. This method is widely used in practice because of its simplicity. It basically assumes that the asset’s economic usefulness is the same each year.
- tt. Sub-recipient: An entity that receives federal assistance indirectly through a recipient.
- uu. Supplies: All tangible personal property other than equipment with a unit value of less than \$5,000.
- vv. TEAM-Web: (Transportation Electronic Award and Management) Web-based application used to apply for, administer and manage FTA projects most commonly referred to as “TEAM.”
- ww. Unliquidated Obligations: A recipient’s funding commitments that have been incurred, but for which outlays have not yet been recorded because goods and services have not been received. Unliquidated obligations should be accounted for on Line D of the Federal Financial Report (FFR).

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CHAPTER II

PROGRAM OVERVIEW

1. **STATUTORY AUTHORITY.** FTA's National Research Programs are generally authorized at 49 U.S.C. Section 5314, although other research programs with national implications have been and can be authorized under other federal statutes.

Subsection 5314(a), Paragraph (1) authorizes funding for the purposes of Sections 5312 (Research, Development, Demonstration Deployment, and Technology Evaluation Projects), 5315 (National Transit Institute) and 5322 (Human Resource Programs).

Subsection 5314(a), Paragraph (2) authorizes funding for public transportation-related technical assistance, demonstration programs, research, public education and other activities to help public transportation providers comply with the Americans with Disabilities Act (ADA) of 1990.

Subsection 5314(a), Paragraph (6) authorizes FTA assistance for demonstration projects with eligible entities to provide transportation services to individuals to access dialysis treatments and other medical treatments for renal disease.

Subsection 5314(c) authorizes federal assistance for a project with a national not-for-profit organization for the establishment and maintenance of a National Technical Assistance Center for Senior Transportation.

The code assigned to the Section 5314 program in the Catalog of Federal Domestic Assistance (CFDA) is 20.514.

2. **PROGRAM GOAL.** FTA follows a strategic research plan, developed in consultation with the transit industry, as a research roadmap to improve public transportation. FTA's strategic research plan is posted on FTA's website <http://www.fta.dot.gov/research.html>. The plan guides funding and program development for the following National Research Programs:
 - a. **Research, Development, Demonstration, and Deployment Projects [Section 5312(a)].** Commonly referred to as the National Research and Technology Program (N RTP), funds are awarded as Cooperative Agreements, Grant Agreements, Contracts or Other Agreements for research, development, demonstration, and deployment projects and evaluation of technology of national significance to public transportation that will improve public transportation service or help public transportation service meet the total transportation needs at a minimum cost.
 - b. **Joint Partnership Program for Deployment of Innovation [Section 5312(b)].** FTA's joint partnership program provides federal funds to consortia consisting of one or more public or private organizations located in the United States that provide public transportation service to the public and one or more businesses, incorporated in a state,

offering goods or services or willing to offer goods and services to public transportation operations. Funds are awarded to these consortia to promote the early deployment of innovation in public transportation services, management, operational practices or technology that has broad applicability. Each consortium supported must provide at least 50 percent of the project costs. Joint partnership awards can take the form of Other Agreements, Cooperative Agreements, Grant Agreements, or Contracts.

- c. International Public Transportation Program [Section 5312(c)]. This program engages in activities to inform the U.S. domestic public transportation community about technological innovations in the international marketplace and activities that may afford U.S. businesses opportunities to export public transportation products and services.
- d. Transit Cooperative Research Program [Section 5313]. FTA provides funding to the Transportation Research Board of the National Academy of Sciences to carry out the Transit Cooperative Research Program (TCRP). Research, development and technology transfer activities within the program are recommended by an independent governing board, the TCRP Oversight and Project Selection (TOPS) Committee. TCRP solicits Problem Statements annually at www.tcrponline.org.
- e. Project ACTION [Section 5314(a)(2)]. FTA provides funding to the National Easter Seals Society of America to support public transportation-related technical assistance, demonstration programs, research, public education and other activities to help public transportation providers comply with Americans with Disabilities Act of 1990 (ADA.).
- f. Medical Transportation Demonstration Projects [Section 5314(a)(6)]. FTA may award federal assistance to provide transportation services to individuals for access to dialysis treatments and other medical treatments for renal disease.
- g. National Technical Assistance Center for Senior Transportation [Section 5314(c)]. FTA provides federal assistance to the National Technical Assistance Center for Senior Transportation to carry out activities related to senior transportation research as well as to implement demonstration projects, in consultation with FTA, to local transportation organizations, state agencies, units of local government and nonprofit organizations.
- h. National Transit Institute [Section 5315]. FTA provides federal assistance to Rutgers University to provide training and technical assistance to the transit industry through the National Transit Institute (NTI). Information on NTI courses is posted at www.ntionline.com.
- i. Human Resource Programs [Section 5322]. FTA may provide funding through Cooperative Agreements, Grant Agreements and Contracts for programs that address human resource needs as they apply to public transportation activities, including: employment training programs, outreach programs to increase minority and female employment in public transportation activities, research on public transportation personnel and training needs and training and assistance for minority business opportunities. FTA may also provide federal assistance to states, local government

authorities and operators of public transportation systems to provide fellowships to train personnel employed in managerial, technical and professional positions in the public transportation field.

3. RESPONSIBILITIES OF PROJECT MANAGEMENT. Recipients are responsible for the day-to-day management of their non-federal assisted projects and of project-supported activities. FTA monitors non-federal assisted projects and project-supported activities to confirm that recipients establish and follow procedures that comply with federal requirements. Chapter III of this circular describes application procedures under the National Research Program. Chapter IV of this circular describes the mechanics and requirements for project administration. Chapter V describes the requirements for financial management. Links to many items identified in the Circular can be found at: http://www.fta.dot.gov/research/program_requirements
- a. Recipient's Role. Recipients must monitor non-federal supported projects and activities to ensure compliance with federal requirements. This includes the administration and management of the project in compliance with the federal law; regulations; their Cooperative Agreement, Grant Agreement, or Other Agreement; and in accordance with applicable FTA circulars. A recipient is also responsible for federal assistance funds that "pass through" to a sub-recipient. In general, submission of the recipient's annual Certifications and Assurances stands in lieu of detailed FTA oversight before approval of a non-federal assisted project; however, the results of ongoing or routine FTA oversight activities also will be considered as applicable. Annual independent organization-wide audits (A-133 audits), audits of recipients and other recurring and specialized reviews give FTA an opportunity to verify the recipient's annual Certifications and Assurances. The recipient's responsibilities include, but are not limited to, actions that:
 - (1) Demonstrate legal, financial and technical capacity to carry out the project, including safety and security aspects of the project.
 - (2) Provide administrative and management support of project implementation.
 - (3) Provide, directly or by contract, adequate technical inspection and supervision by qualified professionals of all work in progress.
 - (4) Ensure conformity to Cooperative Agreements, Grant Agreements, or Other Agreements, applicable statutes, regulations, codes, ordinances and safety standards.
 - (5) Maintain the project work schedule agreed to by FTA and the recipient, and monitor project activities to assure that schedules are met and other performance goals are achieved.
 - (6) Keep expenditures within the latest approved project budget.

- (7) Ensure compliance with FTA requirements on the part of sub-recipients, agencies, consultants, contractors and subcontractors working under approved sub-agreements, third-party contracts or interagency agreements.
 - (8) Request and withdraw federal funds for eligible activities only in amounts and at times as needed to make payments that are due and payable within three business days and retain receipts to substantiate withdrawals.
 - (9) Account for project property and maintain property inventory records that contain all the elements required.
 - (10) Demonstrate and retain satisfactory continuing control over the use of project property.
 - (11) Demonstrate procedures for asset management and adequate maintenance of equipment and facilities.
 - (12) Ensure that an annual independent organization-wide audit is conducted in accordance with the Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
 - (13) Prepare Cost Allocation Plans (CAPs) or Indirect Cost Proposals and submit and obtain approval if applicable before incurring costs.
 - (14) Prepare and submit FTA required reports (see Chapter IV, Section 4, ["Reporting Requirements"](#) of this circular).
 - (15) Update and retain FTA required reports and records for availability during audits or oversight reviews.
 - (16) Ensure that effective control and accountability is maintained for all projects and sub-recipient projects, cash, real and personal property, and other assets. Recipients and sub-recipients must ensure that resources are properly used and safeguarded and that they are used solely for authorized purposes.
 - (17) Obtain all necessary prior approvals and/or waivers before incurring costs or taking the requested action.
- b. Headquarters' Role. FTA Headquarters in Washington, D.C., serves a broad, program level role in the administration of the programs. FTA Headquarters:
- (1) Provides overall policy and is primarily responsible for policy and program guidance for all FTA programs, and ensures that programs are consistent with the law.
 - (2) Ensures consistent administration of programs by the administering office.

- (3) Develops and implements financial management procedures.
 - (4) Initiates and manages program support activities, such as training, courses, regional consistency and oversight reviews.
 - (5) Conducts national program reviews and evaluations.
 - (6) Carries out responsibility for national compliance with program requirements.
 - (7) Develops national standard operating practices.
- c. Administering Office Role. FTA Headquarters, Regional, and Metropolitan offices are responsible for the day-to-day administration or oversight of projects and programs. Depending on the office administering the project, responsibilities include, but are not limited to, actions that:
- (1) Review and approve federal assistance applications, project amendments and budget revisions, as necessary.
 - (2) Obligate and de-obligate funds.
 - (3) Work with recipients to implement and manage the programs and projects and ensure recipient compliance.
 - (4) Provide technical assistance.
 - (5) Review Milestone Progress Reports (MPRs) including Quarterly Narrative Reports and Federal Financial Reports (FFRs) as well as monitor and close grants.
 - (6) Conduct reviews as necessary.
 - (7) In the case of Cooperative Agreements, substantial involvement in project activities or at a minimum the right to redirect project activities.
4. CIVIL RIGHTS REQUIREMENTS. The recipient agrees to comply with all applicable civil rights statutes and implementing regulations including, but not limited to, the following:
- a. Nondiscrimination in Federal Transit Programs. The recipient agrees to comply, and ensures the compliance of each third-party contractor at any tier and each sub-recipient at any tier under the project, with the provisions of 49 U.S.C. Section 5332. These provisions prohibit discrimination on the basis of race, color, creed, national origin, sex or age and prohibit discrimination in employment or business opportunity.
 - b. Nondiscrimination—Title VI. The recipient agrees to comply, and ensures the compliance of each third-party contractor at any tier and each sub-recipient at any tier

of the project, with all of the following requirements under Title VI of the Civil Rights Act of 1964:

- (1) Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. Sections 2000d *et seq.*), provides that no person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving federal financial assistance;
 - (2) Department of Transportation (DOT) regulations, “Nondiscrimination in Federally Assisted Programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act,” 49 CFR part 21;
 - (3) FTA Circular 4702.1A “Title VI and Title VI-Dependent Guidelines for Federal Transit Administration Recipients.” This document provides FTA recipients and sub-recipients with guidance and instructions necessary to carry out DOT’s Title VI regulations (49 CFR part 21) and to integrate into their programs and activities considerations expressed in the Department’s Order on Environmental Justice (DOT Order 5610.2), and policy guidance concerning recipients’ responsibilities to Limited English Proficient (“LEP”) Persons (70 FR 74087, Dec. 14, 2005);
 - (4) DOT Order to Address Environmental Justice in Minority Populations and Low-Income Populations. This order describes the process that the Office of the Secretary of Transportation and each operating administration will use to incorporate environmental justice principles (as embodied in Executive Order No. 12898 on Environmental Justice) into existing programs, policies and activities; and
 - (5) Pursuant to Executive Order 13166 DOT Policy Guidance Concerning Recipients’ Responsibilities to Limited English Proficient (LEP) Persons. This guidance clarifies the responsibilities of recipients of federal financial assistance from DOT and assists them in fulfilling their responsibilities to Limited English Proficient (LEP) persons, pursuant to Title VI of the Civil Rights Act of 1964 and implementing regulations.
- c. Equal Employment Opportunity. The recipient agrees to comply, and ensures the compliance of each third-party contractor and each sub-recipient at any tier of the project, with all Equal Employment Opportunity (EEO) requirements of Title VII of the Civil Rights Act of 1964, as amended, (42 U.S.C. Section 2000e), and 49 U.S.C. Section 5332, and FTA Circular 4704.1 titled “Equal Employment Program Guidelines for Grant Recipients” and any implementing requirements FTA may issue. Recipients that receive \$1 million dollars in FTA capital or operating assistance (or \$250,000 in FTA planning assistance) and have 50 transit-related employees must submit an EEO program to FTA. Both criteria must be met in order to meet the requirement for program submission.

- d. Nondiscrimination on the Basis of Sex. The recipient agrees to comply with all applicable requirements of Title IX of the Education Amendments of 1972, as amended (20 U.S.C. Sections 1681 *et seq.*), with implementing DOT regulations, “Nondiscrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance,” 49 CFR Part 25, and with any implementing directives that DOT or FTA may promulgate, which prohibit discrimination on the basis of sex.
- e. Nondiscrimination on the Basis of Age. The recipient agrees to comply with all applicable requirements of the Age Discrimination Act of 1975, as amended (42 U.S.C. Sections 6101 *et seq.*), and implementing regulations, which prohibit employment and other discrimination against individuals on the basis of age (40 years or older).
- f. Nondiscrimination on the Basis of Disability. The recipient agrees to comply, and ensures the compliance of each third-party contractor and each sub-recipient at any tier of the project, with the applicable laws and regulations, discussed below, for nondiscrimination on the basis of disability.
 - (1) Section 504 of the Rehabilitation Act of 1973 (Section 504), as amended (29 U.S.C. Section 794), prohibits discrimination on the basis of disability by recipients of federal financial assistance.
 - (2) The Americans with Disabilities Act of 1990 (ADA), as amended (42 U.S.C. Section 12101 *et seq.*). The ADA prohibits discrimination against qualified individuals with disabilities in all programs, activities and services of public entities, as well as imposes specific requirements on public and private providers of transportation.
 - (3) DOT regulations implementing Section 504 and the ADA include 49 CFR Parts 27, 37 and 38. Among other provisions, the regulations specify accessibility requirements for the design and construction of new transportation facilities; require that vehicles acquired (with limited exceptions) be accessible to and usable by individuals with disabilities, including individuals using wheelchairs; require public entities, including a private nonprofit entity of the state as a sub-recipient providing fixed-route service, to provide complementary paratransit service to individuals with disabilities who cannot use the fixed-route service; and include service requirements intended to ensure that individuals with disabilities are afforded equal opportunity to use transportation systems.
 - (4) Other Responsibilities. In addition, recipients of any FTA funds should be aware that they also have responsibilities under Titles I, III, IV and V of the ADA in the areas of employment, public services, public accommodations, telecommunications and other provisions, many of which are subject to regulations issued by other federal agencies.
- g. Disadvantaged Business Enterprise (DBE) Program. Section 1101(b) of SAFETEA–LU as amended by Section 451 of the Hiring Incentives to Restore Employment (HIRE)

Act, Pub. L. 111-147, March 18, 2010, requires FTA to make available at least 10 percent of its funding under that act for contracts with small businesses concerns owned and controlled by socially and economically disadvantaged persons. The DOT DBE program seeks to ensure nondiscrimination in the award and administration of DOT-assisted contracts in the department's highway, transit and airport financial assistance programs and to create a level playing field on which DBEs can compete fairly for DOT-assisted contracts, consistent with constitutional legal principles. Regulatory requirements applicable to FTA programs and recipients are contained in DOT regulations, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," 49 CFR Part 26. All recipients of transit financial assistance identified in 49 CFR Section 26.3 must comply with the requirements of 49 CFR Part 26, Subpart A, except as discussed below in subsections (1)–(3). To the extent required by federal law, regulation or directive, the recipient agrees to take the following measures to facilitate participation by DBEs:

- (1) The DOT DBE Regulation at 49 CFR Paragraph 26.21(2) states that FTA recipients receiving planning, capital and/or operating assistance that will award prime contracts (excluding transit vehicle purchases) exceeding \$250,000 in FTA assistance in a federal fiscal year (FY) are required to have a DBE program. Therefore, recipients of FTA financial assistance under programs covered by this circular are not required to have a DBE program or set DBE participation goals required under Subpart B, Section 26.21, unless the recipient also receives financial assistance under other highway, transit or airport programs that require a DBE program under Subpart B, Section 26.21.
 - (2) Recipients not required to have a DBE program do not have to comply with the recordkeeping and reporting requirements of Subpart A, Subsection 26.11(b) or (c)(1) or Subparts B, C, D, E, or F.
 - (3) Recipients of FTA financial assistance programs covered by this circular required to have a DBE program and set DBE participation goals must comply with all of Part 26 and must include contracting opportunities arising out of financial assistance provided and covered by this circular in the base for calculating overall DBE goals in accordance with Subpart C, Section 26.45.
5. CROSS-CUTTING REQUIREMENTS. The recipient understands and agrees that it must comply with all applicable federal laws, regulations and directives, except to the extent that FTA determines otherwise in writing. Refer to FTA's Master Agreement for a list of applicable laws, regulations and directives. FTA updates the Master Agreement annually.

CHAPTER III

APPLICATION INSTRUCTIONS

1. OVERVIEW. This chapter discusses the mechanics and requirements for applying for assistance. Project management requirements are described in Chapter IV. Financial management requirements are described in Chapter V.
2. APPLICATION PROCESS. FTA provides a streamlined electronic interface between applicants and FTA that allows complete electronic application submission, review, approval and management of all non-federal assisted projects. This is done through FTA's Web-based TEAM system, also known by the acronym TEAM-Web. Among other things, applicants use TEAM to apply for federal assistance for their projects, inquire about the status of applications or projects after awards are made, file the required financial status and Milestone Progress Reports and submit annual Certifications and Assurances. The TEAM User Guide can be found at FTA's website in the "Grants and Financing" section under "Apply for and Manage Grants" located at:
<http://ftateamweb.fta.dot.gov/static/userguide.html>.

The TEAM life cycle for a project is:

- a. Federal assistance application created;
- b. Project number assigned;
- c. Concurrences and approvals;
- d. Federal assistance for the project reserved;
- e. Federal assistance awarded through a Cooperative Agreement, Grant Agreement or Other Agreement;
- f. Award executed;
- g. Project managed; and
- h. Project closed.

FTA staff notifies recipients by phone or e-mail of project approval. Applicants also can check the status of their applications in TEAM to determine when federal assistance has been awarded. The Cooperative Agreement, Grant Agreement or Other Agreement includes the "FTA Award" which, among other things, specifies FTA's financial commitment and incorporates a Master Agreement setting forth standard terms and conditions for the FTA-assisted project. The approved project budget is incorporated by reference and made part of the agreement. Conditions of Award that apply to a specific project may be included in the award, sometimes as amendments to the current Master Agreement. Conditions of Award, if any, are displayed in the electronic agreement (screen)

or in the typewritten hard copy of the agreement, if used. Conditions of Award may also be included in documents authorizing pre-award authority for a project if applicable. In certain cases, pre-award authority may be available for incurring project-related costs prior to approval of an application.

Once FTA awards federal assistance through a Cooperative Agreement, Grant Agreement or Other Agreement, the recipient executes the agreement in TEAM. The recipient's electronic execution of the agreement signifies the project is active and post-award project requirements apply.

3. OVERVIEW OF APPLICATION PROCESS. FTA submits competitive opportunities for federal assistance for publication on Grants.gov and/or *Federal Register* under CFDA Number 20.514. Each posting provides information on the types of projects solicited as well as instructions. In some cases, FTA requires two submissions: a pre-application proposal or white paper and a formal application in TEAM if the project is selected. FTA reviews the white papers and determines the relative merit of the proposed project according to the criteria established by FTA. FTA will request applicants proposing projects that merit further consideration to submit a formal application; FTA will advise other applicants that their proposed projects are not being considered for funding. FTA requires applicants to submit formal applications electronically in TEAM.
4. SYSTEM REGISTRATION REQUIREMENTS. The use of FTA's TEAM system and other federal government grant application and reporting systems require advance registration by recipients. These include:
 - a. TEAM. The Administering Office can provide guidance on requirements to establish a TEAM User ID and will provide assistance as needed. The TEAM User Guide can be found at: <http://ftateamweb.fta.dot.gov/static/userguide.html>.
 - b. Data Universal Numbering System (DUNS). Note that you must first obtain a DUNS number in order to begin the registration process for a number of systems. Information on obtaining a DUNS number can be found at: <http://fedgov.dnb.com/webform>. A DUNS number is required for TEAM access, to register with CCR, to register with Grants.gov, and to register for the Federal Funding Accountability and Transparency Act Sub-award Reporting System (FSRS).
 - c. Central Contractor Registration (CCR). All FTA recipients and potential recipients must register with the Central Contractor Registration. Registrants are required to complete a one-time registration to provide basic information relevant to procurement and financial transactions. Registrants must update or renew their registration at least once per year to maintain an active status. Although referred to as Contractor Registration, it applied to all entities (private nonprofits, educational organizations, state and regional agencies, etc.) that apply for assistance awards from the federal government. Instructions and registration can be found at: <https://www.bpn.gov/ccr/>.

- d. Grants.gov. Some funding opportunities are posted on www.grants.gov. In order to apply through www.grants.gov, proposers should initiate the process of registering on the www.grants.gov site well in advance of any deadline to ensure completion of registration before the deadline for submission. Complete instructions on how to register can be found at www.grants.gov. Please be aware that according to the www.grants.gov website the registration process can take between three to five business days up to four weeks and must be completed before any application can be submitted. Note that you must first obtain a DUNS number and then register with the CCR before registering with www.grants.gov.
 - e. The Federal Funding Accountability and Transparency Act (FFATA) Sub-award Reporting System (FSRS). Recipients awarded new federal assistance greater than or equal to \$25,000 as of October 1, 2010, are subject to FFATA sub-award and executive compensation reporting requirements as outlined in the Office of Management and Budgets guidance issued August 27, 2010. Instructions and the FFATA Sub-award Reporting System (FSRS) can be found at: <https://www.fsrs.gov/>. Note that you must first obtain a DUNS number and then register with the CCR before registering with FSRS.
5. PROJECT PROPOSAL PROCEDURES. FTA may use pre-applications or white papers to screen proposals as part of a competitive process announced on Grants.gov and/or *Federal Register*. Although FTA will consider an unsolicited proposal at any time of the year, FTA encourages all potential applicants to communicate with FTA before submitting a white paper. This process is used to select what projects will be funded. Applicants should review requirements set forth in Grants.gov and/or the *Federal Register*.
- a. Unsolicited Proposals. For applications not submitted in response to a solicitation, an applicant's initial contact should be made by e-mail to research@fta.dot.gov or by mail or fax to the relevant FTA office. FTA uses the preliminary contact to:
 - (1) Determine the applicant's eligibility;
 - (2) Determine how well the project can compete with similar projects;
 - (3) Discourage any proposals that have little or no chance for federal assistance before applicants incur the expenditures involved in preparing a detailed application; and
 - (4) Determine conformance to FTA's policy and program objectives and funding availability.
 - b. White Papers. The applicant should submit a project narrative statement describing the objective, proposed work tasks, output and benefits of the proposed project for which federal assistance is being requested. The narrative should also indicate whether matching funds would be provided, the expected duration of the project, and other information that would assist FTA to understand and evaluate the project.

The standard submission for a project narrative statement is two to five pages and must include the information listed in the outline below:

- (1) Project Objective. A concise statement of the intended project goal.
- (2) Statement of the Problem(s). A description of the problem to be addressed by the proposed project.
- (3) Literature Review. A highly focused synopsis, with full citations, of existing research findings, best practices, best technology, as appropriate, explaining the specific gap, in the literature, practice, or technology that the proposed research would fill. Include full citations.
- (4) Project Description. A description of the proposed project including:
 - (a) The relationship of the proposed project to the problem(s) identified in the Statement of the Problems.
 - (b) Identification of the activities to be undertaken in detail by major task with principal output.
 - (c) Identification of the key person(s) or organization to be responsible for the development, coordination and management of specific activities.
 - (d) The geographic location of the project.
- (5) Identify Major Technology Transfer/Dissemination/Outputs. For example, reports (interim, final or other), products, brochures, outreach meetings and so forth.
- (6) Project Schedule. A project schedule must be presented, including a schedule of major tasks, and an overall project schedule. The schedule should be realistic.
- (7) Benefits and Beneficiaries. A description of the anticipated benefits and the targeted beneficiaries, including quantification or measure of the potential impact. Describe specifically how the work to be performed will benefit the transit industry. Be as specific as possible.
- (8) Strategic Goals. List which goals and objectives of the latest FTA strategic research plan will be furthered by the project and describe how the project will measurably contribute to the objectives listed.
- (9) Project Budget Justification. If appropriate, discuss specifics about the proposed project budget or breakdown by the given categories and supplemental information to justify the need for such expenditures. If the budget line items are self-evident, no justification will be necessary. For guidance on allowable costs, refer to the appropriate administrative circular issued by the OMB that applies. See Chapter V, Section 4, "General Principles for Determining Allowable Costs," of this circular.

- (10) Project Timing. If appropriate, discuss other pending projects or program activities that may relate to and affect the timing of the proposed project. If there are no special considerations affecting the timing of the proposed project, indicate “N/A.”
 - (11) Evaluation Criteria. Address any evaluation criteria described in the announcement if not addressed in subsections (1) - (10) above.
6. FORMAL APPLICATION PROCEDURES. FTA will ask an applicant whose pre-application has received a favorable review to submit a formal application in TEAM.
- a. USING TEAM. In order to submit an application electronically, an applicant must provide the information requested by TEAM and follow the instructions therein. The TEAM User Guide can be found at:
<http://ftateamweb.fta.dot.gov/static/userguide.html>.
 - b. Contents for a Formal Application. Each application must contain the following:
 - (1) Information normally found in the Standard Form. All information normally required by OMB Standard Form 424, “Application for Federal Assistance,” must be entered in the appropriate fields of FTA’s TEAM system. This information must be completed in its entirety. The authorized official identified in the authorizing resolution, relative Authorizing Resolution, that is designated to provide the annual Certifications and Assurances, must attest to information pertaining to any delinquent indebtedness to the U.S. Government. An applicant must retain in its official file the original/signature Authorizing Resolution (to the extent the applicant is required to obtain a resolution before it may act) or other indicia of its authority to act, and Opinion of Counsel, unless requested in writing by FTA.
 - (2) Project Budget. FTA has developed a single coded line item structure that can be used for any FTA project budget. The total project budget must be allocated between one or more of a series of scope codes and ALIs. The budget includes only those funds being requested from FTA with any matching share that the applicant proposes to provide for a single, defined project. Any potential future funds should not be included in the budget.
 - (a) Every project consists of: (1) one or more scopes (major code/subject area), and (2) subdivisions called ALIs. Collectively, the scope and its group of activities form the project tasks to be undertaken.
 - (b) Under the scope, a set of related activities are brought together to help achieve the project’s purpose/scope.
 - 1 The appropriate TEAM scope codes begins either with “70” for projects undertaken by universities; or
 - 2 “55” for all other projects.

- 3 Additionally, each scope code should be titled to reflect the research or technical assistance/training activity (i.e. develop prototype, demonstrate bus and so forth). ALIs may be used across these two scopes to meet the project requirements.
- (c) At a minimum, the ALIs should include the basic object class categories normally found in the SF-424a (budget information—non-construction programs):
 - 1 Personnel (managerial, technical and professional or faculty salaries and wages, clerical, secretarial and clerical costs);
 - 2 Fringe benefits;
 - 3 Travel;
 - 4 Equipment;
 - 5 Supplies;
 - 6 Contractual;
 - 7 Other; and
 - 8 Indirect charges.
- (d) The applicant should describe the activity to be carried out for each ALI in the text field in TEAM, such as:
 - 1 Who the managerial, technical, and professional staff are;
 - 2 What equipment will be purchased;
 - 3 What travel is anticipated; and
 - 4 What types of contracts are expected.
- (e) If applicable, the project budget must also identify the applicable cost share ALIs and the anticipated source of the cost share (*i.e.*, cash, in-kind contributions).
- (f) “Fee or Profit” is not an eligible ALI for non-federal assisted projects (Cooperative Agreements, Grant Agreements, Other Agreements). “Fee or Profit” is included in the ALI items because FTA uses TEAM to track its direct procurement contracts.

- (g) See requirements for indirect cost approval in Chapter V, Section 5, “Indirect Costs,” of this circular if including indirect costs in the budget.

University Budget Example

		FTA Amount	Total Eligible Cost
<u>SCOPE</u>			
70-00 Analyze Bus Routing Software Algorithms.		\$450,000	\$450,000
<u>ACTIVITY LINE ITEMS</u>			
70.10.00 Faculty Salary & Wages		\$200,000	\$200,000
70.13.00 Secretarial & Clerical Costs		\$50,000	\$50,000
70.20.00 Employee Benefits		\$50,000	\$50,000
70.80.01 Student Salaries		\$50,000	\$50,000
70.30.00 Travel		\$10,000	\$10,000
55.40.00 Equipment		\$0	\$0
70.50.00 Expendable Supplies & Materials		\$10,000	\$10,000
70.65.00 University Overhead		\$80,000	\$80,000
Estimated Total Eligible Cost:			\$450,000
Federal Share:			\$450,000
Non-federal Share:			\$0

Nonprofit/For-Profit Budget Example

		FTA Amount	Total Eligible Cost
<u>SCOPE</u>			
55-00 Demonstrate Fuel Cell Bus		\$800,000	\$1,000,000
<u>ACTIVITY LINE ITEMS</u>			
55.14.00 Managerial, Technical & Professional		\$300,000	\$100,000
55.13.00 Clerical		50,000	0
55.30.00 Fringe Benefits		75,000	0
55.20.00 Travel		5,000	0
55.40.00 Equipment		100,000	\$100,000
55.49.00 Supplies		20,000	0
55.50.00 Contractual		50,000	0
55.70.00 Other		0	0
55.80.00 Indirect Costs		200,000	0
Estimated Total Eligible Cost:			\$1,000,000
Federal Share:			\$800,000
Non-federal Share:			\$200,000

- (3) Statement of Work (SOW). For example, work tasks, deliverables and schedules, which includes the following:
- (a) Problem Statement. Objective(s) and Need for Assistance. State the principal and subordinate objectives of the project. Identify any relevant physical, economic, social, technological, financial, institutional or other problems requiring a solution. Demonstrate the need for the assistance. Supporting documentation or other information from concerned interests other than the applicant may be used. Any relevant data based on planning studies should be included or footnoted.
 - (b) Literature Review. Focused synopsis explaining the gap in the research literature, best practices or technology that the proposed project would fill. Explain why the gap exists and what is novel about the proposed research that would enable the gap to be filled. Include full citations for reference purposes
 - (c) Results or Benefits Expected. Identify costs and benefits to be derived from the proposed project. Describe specifically how the work to be performed will benefit the transit industry (riders, management, employees and so forth); for example, increase ridership, reduce initial or operating costs, improve vehicle or system performance, improve passenger information systems, improve safety, improve the environment and so forth.
 - (d) Relation to FTA Strategic Plans. Identify how the project will support furthering the goals and objectives of FTA's Strategic Plans in a measurable manner.
 - (e) Work Plan/Approach.
 - 1 Work Tasks. Outline a plan of action organized by work task "Implementation Plan" pertaining to the scope and detail of how the proposed work will be accomplished for the assistance program, function or activity provided in the budget. Cite factors that might accelerate or impede the work and the reason for taking the approach described as opposed to others. Describe any unusual features of the project, such as design or technological innovations, reductions in cost or time, benefits to riders, or extraordinary social and community involvement.
 - 2 Accomplishments. Describe the anticipated accomplishments to be achieved in qualitative or quantitative terms. Quantitative measures could include the number of riders, equipment reliability, data to be gathered or other measure of goal achievement. When accomplishments cannot be quantified by activity or function, list them in chronological order to show the schedule of accomplishments and their target dates. Performance measures could include interim report submissions.

- 3 Data and Measurement. Identify the kinds of data to be collected and maintained and discuss the criteria to be used to evaluate the results and successes of the project. Explain the methodology that will be used to determine if the needs identified and discussed are being met and if the results and benefits identified in Subsection 2 above are being achieved. List each organization, operator, consultant or other key individuals who will work on the project, along with a short description of their effort or contribution.
 - 4 Project Period/Schedule/Deliverables. Identify the period of performance and major project milestones and deliverables. Milestones include phases of the project such as issuing the request for proposal, entering into a subcontract, completing literature review or surveys, or completing data collection. Deliverables include both interim and final work products such as prototypes, equipment developed, conferences organized, training delivered, Internet pages, software, data, draft and final reports. Both Milestones and Deliverables will be entered into TEAM as part of the Project Milestone Schedule below.
- (f) Geographic Location. Give a precise location of the project and identify the area(s) and target group(s) to be served by the proposed effort. Maps or other graphic aids may be attached.
 - (g) Key Personnel. Present a brief biographical sketch of the Principal Investigator or Project Manager with the following information: name, address, telephone number, background and other qualifying experience. Also, list the name and background for other key personnel engaged in the project.
 - (h) Supplemental Assistance. For supplemental assistance requests, explain the reason for the request and justify the need for additional funding. Discuss accomplishments to date and list in chronological order a schedule of accomplishments, progress or milestones anticipated with the funding request. If there have been significant changes in the project objectives, location, or approach or time delays, explain and justify. For other requests for changes or amendments, explain the reason for the change(s). If the scope or objectives have changed or an extension of time is necessary, explain the circumstances and justify. If the total budget has been exceeded, or if the individual budget items have changed more than the prescribed limits contained in 49 CFR Part 18 or 19, explain and justify the need for additional funding.
 - (i) Other Information. The FTA program office may request other information to properly evaluate the proposed project.
- (4) Project Milestone Schedule. Applicants should identify major project milestones in the Milestone section of TEAM. This schedule consists of estimated milestone dates for major activities and products and an overall project completion date. The

overall project completion date should allow for audit and closeout of all third-party contracts. For each milestone, any detailed information should be placed in the remarks or comment area.

- (5) State Review Process required by Executive Order No. 12372. Executive Order No. 12372, "State Review Process," 31 U.S.C. Section 6506 note, establishes a system of intergovernmental consultation between state and local officials that involves a state process for reviewing federal programs and activities. The requirement is to ensure that the appropriate state authorities are informed about and provided an opportunity to comment on projects for which federal assistance is being provided within the state. Many states have their own review procedures, which describe what applicants need to do to satisfy intergovernmental review requirements. Each applicant is required to submit with each application a certification of compliance with this intergovernmental review requirement. If there is no intergovernmental review process in the applicant's state, then programming of a project in the metropolitan Transportation Improvement Program (TIP) and Statewide Transportation Improvement Program (STIP), or Unified Planning Work Program (UPWP), as appropriate, will be considered by FTA as meeting the need for intergovernmental review. The Department of Transportation (DOT) has issued implementing regulations, "Intergovernmental Review of Department of Transportation Programs and Activities," 49 CFR Part 17.

Any comments on the proposed activities received through the state process prior to filing the application should be included. The official list of Single Point of Contact (SPOC) entities can be found at the OMB website:

<http://www.whitehouse.gov/omb/grants/spoc.html>

- (6) Certifications and Assurances for the Current FY. Before FTA may award a project, the applicant must provide to FTA all Certifications and Assurances required of the applicant by federal laws and regulations. Applicants should enter their certifications and assurances either in electronic format in FTA's TEAM system or may submit them in hard copy on the signature page. The certifications and assurances are consolidated by FTA each federal FY into a single document that provides the text of the certifications and assurances to be used in connection with all federal assistance programs administered by FTA during that FY. The certifications and assurances are published in the *Federal Register* notice, normally around the beginning of the FY.
 - (a) Annual Submission. An applicant need only submit the Certifications and Assurances once annually. FTA is required to obtain specific assurances pertaining to the National Research Programs. The certification required by DOT regulation, "Intergovernmental Review of Department of Transportation Programs and Activities," 49 CFR Part 17, is submitted with each application. The Certifications and Assurances the applicant attests to will remain valid for one year or until FTA publishes the next version. Recipients must also submit

annual Certifications and Assurances as long as the project remains active, even if the recipient is not applying for more funding.

- (b) Electronic Submittal. FTA expects applicants to submit their applications and Certifications and Assurances electronically by means of FTA's TEAM system. If an applicant is not able to submit the certifications electronically, the applicant should obtain a copy of the *Federal Register* notice containing the current FY's certifications and use the form contained in that *Federal Register* to submit the actual certifications. The signature page shown in the current federal FY's compilation in the *Federal Register* must be used.
- (c) Compliance. The Certifications and Assurances, when properly attested to and submitted to FTA, either through TEAM or in hard copy on the signature page, assure FTA that the applicant intends to comply with the requirements for the specific program involved.
- (d) Timing. The Certifications and Assurances must be submitted and attested to annually by an applicant or recipient or with the applicant's first federal assistance application in the federal FY, whichever is first.
- (e) Action Required. The authorized representative of the applicant and the applicant or recipient's attorney must make the requisite certifications by:
 - 1 Selecting each assurance or certification category that will apply to the applicant's projects for the FY; and
 - 2 Attesting to the Certifications and Assurances electronically with a Personal Identification Number (PIN) or a handwritten signature on the signature page; or
 - 3 For a signature page accompanying a hard copy submission, selecting the first item at the top of that page, signifying that the applicant will comply with all categories of Certifications and Assurances.
- (f) Requirement for Current Affirmation. FTA requires a current attorney's affirmation of the applicant or recipient's legal authority to certify compliance with that FY's FTA funding assistance. The attorney's affirmation from previous years is not acceptable.
- (g) Supplementary Information. These Certifications and Assurances are used for all FTA assistance programs. FTA also uses these Certifications and Assurances for federal assistance programs authorized by Title 23, U.S.C., administered by FTA.
- (7) Environmental Considerations. FTA's environmental review process has two primary objectives: to fully disclose the probable environmental impacts resulting

from a proposed project and to develop measures that will avoid, minimize or mitigate adverse environmental effects. Before FTA may approve a capital investment program grant, the environmental review process must be complete and will involve compliance with a number of laws, regulations and Executive Orders that usually takes place in the context of the National Environmental Policy Act (NEPA) process. Objectives of NEPA are implemented mainly through two regulations: The Council on Environmental Quality regulation implementing the procedural provisions of NEPA, 40 CFR Part 1500, and the joint Federal Highway Administration (FHWA)/FTA environmental impact and related procedures, 23 CFR Part 771. Federal regulations place limitations on project development while the environmental review process is being conducted. Please contact the appropriate FTA regional office for further information.

- (a) FTA's environmental regulation identifies three classes of actions requiring different levels of environmental documentation and gives examples of typical projects in each class.
 - 1 Class I actions are projects that have significant environmental effects and, therefore, require preparation of an environmental impact statement (EIS). If, either as a result of an environmental assessment (EA) or because of certain project characteristics evident at the outset of project planning, significant environmental impacts are identified or known to exist, an EIS will be required. For example, a demonstration or deployment project that involves the new construction or extension of a separate guideway or roadway for high-occupancy vehicles (HOVs) not located within an existing highway right-of-way would typically require an EIS.
 - 2 Class II actions are those that normally do not involve significant environmental effects and, therefore, do not require any environmental document. The joint Federal Highway Administration (FHWA/FTA) environmental impact regulations, 23 CFR Part 771, use the term "Categorical Exclusion" (CE) to describe classes of projects that do not involve significant environmental impacts and, therefore, do not require preparation of either an EA or an EIS. CEs fall into two categories: those that are listed specifically in the regulation, 23 CFR 771.117(c), and need no further analysis, and those that require additional documentation under 23 CFR Paragraph 771.117(d) in order to assure their suitability for CE. Applicants should consult each list to determine whether a particular project may be categorically excluded from the need to prepare either an EA or an EIS. For example, projects that involve construction have greater potential for on-site and off-site environmental impacts and are, therefore, subject to additional analysis. Experience has shown, however, that many construction projects can be built and operated without causing significant impacts if they are carefully sited in areas with compatible, nonresidential land use where the primary access roads are adequate to handle the additional bus traffic. FTA may approve the designation of these

construction projects as documented CEs if the applicant provides an administrative record demonstrating that the conditions stated above in this paragraph are met and that no significant adverse effects will result.

- 3 Class III actions are projects for which FTA is uncertain as to the significance of environmental effects. An EA is required in order to determine the significance of the effects. The joint FHWA/FTA environmental regulations describe environmental processing for all three classes of actions. For any project not meeting the conditions for a CE, the applicant must, at a minimum, prepare an EA. In addition to documenting the impacts of the proposed project, an EA requires the applicant to consider alternatives as required by Section 102(2)(E) of NEPA, 42 U.S.C. 4332(2). An EA is also subject to public comment. Once the EA has been completed, and when warranted, FTA may issue a Finding of No Significant Impact (FONSI) or a mitigated FONSI which concludes the NEPA process.
- (b) Projects under this circular usually involve research and technical assistance for a defined problem, technology development or demonstration, transit service development or demonstration, changes in administrative or institutional procedures or services, and so forth, that rarely would have significant environmental effects. So it is unlikely that applicants for Sections 5312 or 5314 or other research or technology Cooperative Agreements or Grants would be required to prepare an EIS. However, the applicant and the responsible FTA official reviewing the project must determine what Class (I, II or III) environmental action is being considered and proceed accordingly. FTA's policy is to comply with and require its applicants and recipients to comply with all related environmental laws and regulations, to the fullest extent possible, within any environmental document submitted for compliance with NEPA.
- (c) The applicant must submit its environmental information in an electronic window designed to accept this information within the TEAM "applications" menu.
- c. Possible Project Requirements. The following requirements may or may not apply to the proposed project. Relevance is determined by various factors involved in the project. Applicants should communicate with the FTA project manager in order to develop an understanding of these requirements. If steps are not taken to meet applicable requirements, delays may occur in project approval:

 - (1) Public Hearing Requirement. Under 49 U.S.C. Section 5323(b), any application for Section 5312, 5309 or 5314 Cooperative Agreement, Grant Agreement, or Other Agreement for a project that would qualify as a capital project absent its "research" aspects and will substantially affect a community or the public

transportation service of the community, shall include a certification to the effect that the applicant has:

- (a) Provided an adequate opportunity for public review and comment on the project;
- (b) After providing notice, held a public hearing on the project if the project affects significant economic, social or environmental interests;
- (c) Considered the economic, social and environmental effects of the project; and
- (d) Found that the project is consistent with official plans for developing the community.

Subsection 5323(b)(2) further states, “Notice of hearing under this subsection— (A) shall include a concise description of the proposed project, and (B) shall be published in a newspaper of general circulation in the geographic area the project will serve.” If a hearing is held, a copy of the transcript of the hearing shall be submitted with the application. Subsection 5323(b)(3)(a) requires the applicant to submit a certification that it has complied with the requirements of 49 U.S.C. Subsection 5323(b).

The 49 U.S.C. Section 5323(b) public hearing requirements satisfy NEPA public hearing requirements for projects requiring an EIS. FTA will require this public hearing for a project with an EA that has a high probability of being elevated to an EIS. For projects not subject to NEPA requirements, such as CEs, a hearing will be required if the project “will substantially affect a community or the public transportation service of the community.”

(2) Labor Protections.

- (a) Davis-Bacon Act. For FTA programs, 49 U.S.C. Section 5333(a) imposes Davis-Bacon Act prevailing wage requirements. This provision applies only to construction projects. In the event that a project involves construction, 49 U.S.C. Section 5333(a) requires the Secretary to take such action as may be necessary to ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed with federal assistance under 49 U.S.C. Chapter 53 be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. The Secretary may not approve any such federal assistance without first obtaining “adequate assurance” that required labor standards would be maintained upon the construction work. This assurance is obtained when recipients execute the Master Agreement.
- (b) Transit Employee Protection. Before FTA may award federal assistance for a Section 5314 project involving transit operations, fair and equitable

arrangements must be made to protect the interests of transit employees affected by the proposed FTA assistance, 49 U.S.C. Section 5333(b), originally Section 13(c) of the Federal Transit Act. Those arrangements must be certified by the Secretary of Labor as meeting the requirements of the law. Applicants whose projects affect transit operations will need to furnish specific information as to involvement of non-management employees in the project. If applicable, this exhibit should describe the labor unions (a list of names of the local affiliates) representing employees of the transit system(s) affected by the project.

Applicants whose projects do not affect transit operations, and which, therefore, are not affected by this requirement, should make a statement to that effect.

Ordinarily, Section 5333(b) certification may not be required if the project does not involve or affect transit operations. FTA will make a determination on the need for Department of Labor (DOL) clearance. Applicants should consult the FTA project manager for further information regarding the need for DOL clearance. Apart from the need for DOL clearance, questions concerning employee protective arrangements and related matters pertaining to transit employees should be addressed to the Division of Statutory Programs, Employment Standards Administration, U.S. Department of Labor, Room N-5112, 200 Constitution Avenue NW, Washington, D.C. 20210; telephone (202) 693-0126; fax (202) 693-1342.

- (3) Civil Rights Submission See Chapter II, Section 4, "Civil Rights Requirements," of this circular.
- (4) Lobbying Disclosure Federal financial assistance may not be used to influence any member of Congress or an officer or employee of any agency in connection with the making of any federal Cooperative Agreement, Grant Agreement, or Contract. For example, federal funds may not be used for lobbying Congressional Representatives or Senators indirectly, such as by contributing to a lobbying organization or funding a grass-roots campaign to influence legislation (31 U.S.C. 1352). These laws do not prohibit general advocacy for transit. Providing information to legislators about the services an applicant provides in the community is not prohibited, nor is using non-federal funds for lobbying, so long as the required disclosures are made. A certification and, when appropriate, a completed disclosure form must be submitted by the applicant in accordance with 31 U.S.C. Section 1352, "Limitation on use of appropriated funds to influence certain federal contracting and financial transactions," and DOT implementing regulations, "New Restrictions on Lobbying," 49 CFR Part 20. Section 1352 requires that all persons (meaning organizations as well as individuals) that request or receive federal Cooperative Agreements, Grants, or Contracts exceeding \$100,000, submit a certification that federal appropriated funds were not used to influence or attempt to influence the transactions. Applicants, recipients and contractors are required to disclose certain lobbying activities conducted with funds derived from other than federal sources. If anyone is hired to lobby on behalf of the potential recipient requesting the federal funds, Section 1352 requires that a

disclosure statement, standard form LLL (rev. 7-97), be completed naming the lobbyists and the amounts paid to them. These requirements also apply to sub-recipients and subcontractors.

7. PEER REVIEW. FTA may request applicants to participate in peer review programs, including submitting proposed statements of work to peer review panels and participating in peer review panels of other proposals.
8. COMPLETE APPLICATION. For a federal assistance application to be complete, all planning, programming and ancillary activities must be completed. All requisite certifications, assurances and other documentation must be completed and the application must be in approvable form with all required information and documentation, except for the labor protection certification, which is issued by DOL. All intergovernmental review and all applicable civil rights, alcohol misuse and prohibited drug use program requirements must have been met.
9. MASTER AGREEMENT. FTA uses an abbreviated Cooperative Agreement or Grant Agreement that incorporates by reference a Master Agreement in which most terms and conditions are stated that will apply to the FTA project for which the Cooperative Agreement or Grant for a project is proposed for award. The Master Agreement incorporates statutory and other standard conditions that are agreed to in writing by the recipient when the recipient executes the Cooperative Agreement or Grant Agreement for its project. FTA Master Agreements are available for review on FTA's website, <http://www.fta.dot.gov>, or a copy can be requested from Headquarters. Each recipient is expected to retain the applicable Master Agreement on file. Certain types of FTA projects, for example, joint partnership projects, may use "other agreements" with revised terms and conditions.
10. AWARDING INSTRUMENT. For most research programs, FTA can award federal assistance through Cooperative Agreements, Grant Agreements, Contracts, or Other Agreements. This circular is directed primarily at Cooperative Agreements, Grant Agreements, and Other Agreements. Most research projects are awarded as Cooperative Agreements as FTA anticipates substantive involvement and interest in the results of the project. The Cooperative Agreement document in TEAM will specify both the FTA's and the recipient's roles. At a minimum, the FTA role usually includes FTA's right to participate in the redirection of project activities. FTA will primarily use grants for projects whose results are not integral to meeting the goals of FTA's Strategic Research Plan. FTA will inform the applicant as it completes its application whether the project will be awarded as a Cooperative Agreement or a Grant Agreement. Except for the inclusion of the federal role in the project, Cooperative Agreements and Grant Agreements are subject to the same administrative requirements, and this circular refers to them collectively as federal assistance.
11. COST SHARE. FTA is required by law to establish a federal share consistent with any clear and direct financial benefit to any entity participating in a project financed under the authority of 49 U.S.C. Section 5314. Cost sharing is intended to serve the mutual interest of the federal government and recipient organizations by ensuring maximum utilization of the

available funding resources. Except for Section 5312(b) 5322(c) programs and a few other programs, specific cost share minimums are not set forth by legislation. Usually, the amount of cost sharing for Sections 5312 and 5314 projects is considered in the evaluation of application proposals and determined by mutual agreement between FTA and the applicant, and may be in the form of in-kind contributions as well as cash.

- a. Establishing the Cost Share. Factors to be considered in negotiating the amount of cost sharing include the following:
 - (1) Program requirements for specific programs.
 - (a) Section 5312(b). The joint partnership program for the deployment of innovation requires a consortium contribution of no less than 50 percent of the costs.
 - (b) Section 5322(c). The federal share of fellowships is limited to the lesser of \$65,000 or 75 percent of the allowable costs of the program.
 - (2) Type of project and nature of the applicant.
 - (a) In the case of other Sections 5312 and 5314 Cooperative Agreements, Grant Agreements, or Other Agreements with commercial or industrial organizations, greater private contribution to cost sharing would be expected if the project were likely to enhance that organization's capability, expertise or competitive position to its financial advantage. Organizations predominantly engaged in research and development with little or no production capability may not be in a position to derive a monetary benefit from such participation. Thus, cost participation by commercial or industrial organizations could reasonably range from no cost to participants to as much as 50 percent or more of the project costs.
 - (b) In the case of Cooperative Agreements or Grant Agreements with educational institutions and other nonprofit organizations, a higher percentage of non-federal share is expected when the direct cost of the project consists primarily of the academic year salaries of faculty members.
 - (3) Relative interest of the federal government.

A relatively low degree of cost sharing may be appropriate if it is determined that an area of research or initiative that requires special stimulus is in the national interest, such as high priority research projects identified in FTA's strategic research plan.
 - (4) Risk to the applicant for the outcome of the project.

- b. Third-Party Contractor/Joint Venture Participation. Third-party contractors and other for-profit entities participating as performers or contractors in a project venture also may affect the amount of non-federal share to be provided. When negotiating about the extent of cost-sharing or non-federal matching fund requirements, no cost or contributions counted toward other federally funded cost-sharing projects may be considered for the proposed FTA-assisted project. Neither costs nor the values of third-party, in-kind contributions may count toward satisfying a cost sharing or matching requirement of a federal or federally assisted project, if they have been or will be counted toward satisfying a cost-sharing or matching requirement of another federal or federally assisted project, a federal procurement contract, or any other award of federal funds.
- c. Program Income. During the application review process, the applicant may request authorization from FTA to use any potential program income to meet the cost-sharing or matching requirement of the agreement. In such cases, the amount of the federal share proposed for the Cooperative Agreement or Grant would not be reduced until the time of project completion, when the FTA and non-federal share would be reduced on a prorated basis and verified by an audit, unless FTA determines otherwise in writing.

Examples of potential income-producing ventures for projects include: registration fees collected for attendance at project-sponsored conferences, training workshops, seminars and symposiums; fees collected from projects, for example, revolving loan fund and bonding assistance type projects; and advertising fees or fare revenues from transit passengers.

- d. Non-federal Share. The recipient pays for all project costs and is reimbursed in part by the government. The portion not reimbursed by the government is referred to as the non-federal cost share. The government expects to share in the costs of all tasks of a project. The government evaluates the quality of cost share in the following terms:
 - (1) High Quality Cost Share. These are financial resources that will be expended by the recipient on the proposed project's Statement of Work (SOW) and will be subject to the direction of the project management team. This basically means the funds the non-federal participant will spend for labor hours, materials, new equipment (prorated if appropriate), and subcontractor efforts expended on the project's SOW, and restocking the parts and material consumed. High quality cost share can include new Independent Research and Development funded by the recipient, but only if those funds are offered by the proposer to be spent on the SOW and subject to the direction of the project management team.
 - (2) Low Quality Cost Share. These are nonfinancial resources that will be expended on the proposed project's SOW and will be subject to the direction of the project management team. This is typically wear-and-tear on in-place capital assets, such as machinery or the prorated value of space used for the project.
 - (3) Unacceptable Cost Share. This is a resource that either: (1) will not be expended on the project's SOW, or (2) will not be subject to the direction of the management

team as discussed above in Subsections (1) and (2). Unacceptable cost share will be subtracted from the proposer's claimed total cost for the project, and the required cost share will be recalculated. Unacceptable cost share examples include:

- (a) Sunk costs (i.e. costs incurred before the start of the proposed project);
- (b) Foregone fees or profits;
- (c) Foregone general and administrative or cost of money applied to a base of independent research and development;
- (d) Bid and proposal costs;
- (e) Value claimed for intellectual property or prior research, unless the value is diminished by the project; and
- (f) Parallel research or investment, for example, research or other investments that might be related to the proposed project but which will not be part of the SOW or subject to the direction of the project management team. Typically, these research or investment activities will be undertaken regardless of whether or not the proposed project proceeds. They include off-budget resources, for example, resources that will not be used by the proposer in implementing the SOW and will not be considered when FTA evaluates cost share.

12. PROJECT APPROVAL.

- a. Notification. After FTA has awarded funds for a project, the applicant will be notified through FTA's TEAM system and by e-mail or a letter. The award will indicate the date of the award and set forth any special conditions under which the project is approved. The date of award is the date that authorizes the recipient to incur project costs. **NOTE:** FTA can begin to participate in a project under which work has already begun, but cannot pay for costs incurred prior to the date when FTA awards funding for the project. Absent special circumstances provided in a letter of no prejudice, costs incurred prior to FTA award are not eligible as project expenses.
- b. Execution of the FTA Agreement. The authorizing official and the attorney should "execute" the project by entering their Personal Identification Number (PIN) in the appropriate places and forward or resubmit the project agreement to FTA. The recipient should e-mail or telephone the project manager to alert him or her that the project has been executed.
- c. Cost Eligibility and Payment Method.
 - (1) Absent any type of pre-award authority, the recipient may begin to incur project costs as of the date the authorized FTA official signs (or PIN) the award.

- (2) Requests for reimbursements will not be honored until the federal assistance has been awarded by FTA and executed by the recipient.
- (3) FTA will not honor project costs the recipient may incur after the project period ends without approving an extension of the project period.
- (4) For amendments, absent of any type of pre-award authority, the recipient may not incur costs using federal assistance provided in the amendment before the date of the amendment.
- (5) The Automated Clearing House (ACH) method makes electronic payments based on costs incurred by the recipient. See Chapter V, Section 8, "Payment Procedures," of this circular for further information.

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CHAPTER IV

PROJECT ADMINISTRATION

1. **OVERVIEW**. This chapter discusses the mechanics and requirements for post-award project administration. Financial management requirements are described in Chapter V of this circular. The following sections emphasize the requirements associated with administering and managing a non-federal assisted project after the Cooperative Agreement, Grant Agreement, or Other Agreement has been awarded and executed in FTA's Transportation Electronic Award and Management (TEAM) system.
2. **APPLICATION PROCESS**. FTA provides a streamlined electronic interface between recipients and FTA that allows complete electronic application submission, review, approval and management of all FTA-assisted projects. This is done through a Web-based electronic system, commonly known as TEAM or TEAM-Web. Among other things, recipients apply for federal assistance, inquire about the status of projects, file the required financial status and milestone progress reports and submit annual Certifications and Assurances in TEAM. The TEAM User Guide can be found at FTA's website in the "Grants and Financing" section under "Apply for and Manage Grants" located at: <http://ftateamweb.fta.dot.gov/static/userguide.html>.
3. **PROJECT IDENTIFICATION**. The recipient understands and agrees that each tangible product resulting from National Research Program projects shall contain or include an appropriate sign, designation or notification stating that the project has been financed with federal assistance provided by the DOT/FTA. Unless determined otherwise in writing from the FTA, this requirement applies to all equipment, prototypes, construction, reports, data, software, internet pages, or any similar items produced in the course of the Grant Agreement or Cooperative Agreement for the project that are part of the project's deliverables visible to the public, or are made available to other research organizations or public transportation providers. Reports must also include the disclaimer described in Chapter IV, Subsection 4g.
4. **REPORTING REQUIREMENTS**. Once a project is active, a recipient will be subject to one or more of the following types of post-award reporting requirements, several of which can be accomplished using TEAM. The reporting requirements may vary depending on the size of the recipient, the type and amount of federal assistance a recipient receives, or the federal interest in the project. Unless otherwise permitted in writing, quarterly reporting is required. Please contact the administering office if there are questions regarding the applicability of the following reporting requirements.
 - a. **Financial and Progress Reports**. FTA uses the Federal Financial Reports (FFRs) and Milestone Progress Reports (MPRs) to evaluate several elements of the project's status, such as the extent to which:
 - (1) The purposes of the project are being achieved;

- (2) The project is progressing on time and within budget;
- (3) The recipient is demonstrating competence and control in implementing the project;
- (4) The project meets all program requirements; or a problem is developing which may require FTA resources to resolve.

FTA monitors project activities to ensure proper recipient stewardship of federal assistance and compliance with the laws and regulations that govern its federal assistance programs. FTA also must be able to report on program results, industry trends and its own oversight responsibilities. The information FTA needs for program forecasting, management and reporting is furnished through FFRs and MPRs submitted by recipients about significant events, relevant project activities and any changes to or variances in the project schedule or budget.

FTA staff is available to meet with recipients to agree on the appropriate level of reporting detail and formats for reporting in TEAM. This will ensure that FTA has the information needed to manage its overall program.

All recipients should report significant developments or changes as they occur during the year, including any problems, delays or adverse conditions that may materially impair their ability to meet the objective of the award, as well as any favorable developments that may enable meeting time schedules and objectives sooner or at a cost substantially less than expected in FFRs.

If necessary, attachments can accompany FFRs and MPRs by using the “paperclip” feature in TEAM.

FTA may withhold payment for failure to submit either FFRs or MPRs in a timely manner. In individual cases, FTA may grant extensions of report due dates for good cause.

Report due dates and additional information about the Federal Financial Reports, FFRs and MPRs are described below in subsection b. Please contact the administering office for questions regarding any of these reports.

b. Report Due Dates.

- (1) Quarterly Reports. - FFRs and MPRs. These reports are due to FTA within 30 days after the end of each quarter, for example, by January 30, April 30, July 30, and October 30.
- (2) Final Reports. Final FFRs and MPRs are due 90 calendar days after the expiration or termination of the project.

- c. Federal Financial Report. A recipient must submit an FFR for each active Cooperative Agreement, Grant Agreement or Other Agreement it has executed. The requirement for an FFR applies to all FTA-assisted projects covered by this circular. The FFR accompanies the MPRs (described below in subsection d) and is used to monitor project funds. The purpose of the FFR is to provide a current, complete and accurate financial picture of the project. This report is submitted electronically in the Federal Financial Report section of TEAM and must be prepared on the accrual basis of accounting; that is, income is recognized when earned instead of when received and expenses are recognized when incurred instead of when paid. FTA does not allow the FFR to be prepared in the cash method of accounting. A recipient may keep its books on the cash basis during its accounting year. If this is the case, at the submission of the FFR, the recipient must prepare the necessary accruals and submit the FFR on the accrual basis of accounting.

The FFR must comply with the following requirements:

- (1) All financial facts (for example, expenditures and obligations) relating to the scope and purpose of each financial report and applicable reporting period should be completely and clearly displayed in the reports.
- (2) Reported financial data should be accurate and up to date. The requirement for accuracy does not rule out inclusion of reasonable estimates when precise measurement is impractical, uneconomical, unnecessary or conducive to delay.
- (3) Financial reports should be based on the required supporting documentation maintained in the recipient's official financial management system that produces information which objectively discloses financial aspects of events or transactions.
- (4) Financial data reported should be derived from accounts that are maintained on a consistent, periodic basis; material changes in accounting policies or methods and their effect must be clearly explained.
- (5) Reporting terminology used in financial reports to FTA should be consistent with receipt and expense classifications included in the latest approved project.
- (6) The FFR screen in TEAM consists of three tabs: Summary, Financial Status and Remarks, and Certification.
- (7) The Summary Tab:
 - (a) *Employer Identification Number (EIN)* – Enter the EIN. The EIN is also known as a federal tax identification number.
 - (b) *Work in Progress/Submit Report* – Select “Work in Progress” or “Submit Report.” Select “Work in Progress” to prepare the report. Once the report is complete and ready for submission, select “Submit Report.”

- (c) *Report Type* – Select whether the report is quarterly, monthly, annually or other.
 - (d) *Period* – Enter the reporting period from the drop-down menu.
 - (e) *Final Report?* – Enter if the report is final or not. In the drop-down menu select, “Yes, Final Report” or “No, Not Final Report.” The report will be final if all the activities in the grant are completed, the funds are drawn down, there are no unliquidated obligations and the milestones are closed. Once the final report is submitted, the grant is ready for closeout. Please notify your regional program manager.
 - (f) *Indirect Expense* – If a recipient is charging indirect costs to the project, complete this section. Enter total amount of indirect expenses incurred on a cumulative basis. Please note that a recipient must have an approved Cost Allocation Plan in order to incur these expenses.
 - 1 Type – Enter indirect expense type from the drop-down menu.
 - 2 Rate – Rate approved by the cognizant agency.
 - 3 Base – Total base amount from which the indirect cost rate is determined.
 - 4 Period from / Period to – The period covered by the approved rate.
 - 5 Amount Charged – Total amount of indirect expenses charged to the project on a cumulative basis.
 - 6 Federal Share – Federal share of the indirect expenses charged.
- (8) The Financial Status Tab – The information in this section is on a cumulative basis, except for the three expenditures lines (lines F, G and H).
- (a) *Line A - Federal Cash on Hand* at beginning of period –Any cash on hand at the beginning of the project. In most instances, this line will be zero.
 - (b) *Line B - Federal Cash Receipts* –The cumulative amount of actual cash received from FTA for this project as of the reporting period end date. Report this amount on a cash basis.
 - (c) *Line C - Federal Cash Disbursements* – The cumulative amount of federal funds disbursed as of the reporting period end date. Disbursements are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the project, and the amount of payments made to sub-recipients and contractors. Report this amount on a cash basis.

- (d) *Line D - Federal Cash on Hand at End of Period* –The sum of lines A + B – C, populated by TEAM. If there is cash on hand at the end of the period, FTA requires an explanation in the remarks and certification tab, explaining why the drawdown was made prematurely or other reasons for the excess cash.
- (e) *Line E - Total Federal Funds Authorized* –The total amount of all federal funds in the project including amendments. TEAM populates this field.
- (f) *Line F - Federal Share of Expenditures* –The amount FTA will participate in the total project costs. You can enter this information in either the “This Period” section or the “Cumulative” section, however, do not enter in both sections. Expenditures are the total project costs (less any rebates, refunds or other credits) incurred on the accrual basis of accounting. Examples of expenditures are: (1) the sum of cash disbursements for direct charges for property and services; (2) the amount of indirect expense incurred; and (3) net increase or decrease in accounts payable or accrued expenses.
- (g) *Line G - Recipient Share of Expenditures* – Of the total project costs, enter the amount the recipient will pay of the total project costs. You can enter this information in either the “This Period” section or the “Cumulative” section, however, do not enter in both sections. Enter the recipient share of actual cash disbursements (less any rebates, refunds or other credits) including payments to sub-recipients and contractors. This amount may include the value of allowable third-party in-kind contributions. Note: On the final report, this line should be equal to the total recipient share required (line N). Report this amount on an accrual basis.
- (h) *Line H - Total Expenditures* – The total of all expenditures (total project costs) as of the end of the reporting period. TEAM populates this field – lines F + G.
- (i) *Line I - Federal Share of Unliquidated Obligations* –The federal portion of unliquidated obligations (binding commitments entered into for goods and services not yet received). On the final report, this line should be zero. Report this amount on an accrual basis. Examples of unliquidated obligations are: (1) signed contracts for purchase of equipment when delivery has not yet occurred, (2) contracts for services not yet rendered, (3) open purchase orders, and (4) contract retention.
- (j) *Line J - Recipient Share of Unliquidated Obligations* –The local share of unliquidated obligations.

- (k) *Line K - Total Unliquidated Obligations* – The total of recipient binding commitments entered into for goods and services not yet received. TEAM populates this field – lines I + J.
- (l) *Line L - Total Federal Share* – The total FTA is expected to contribute to the total project costs. This is the sum of federal share of expenditures (line F) and federal share of unliquidated obligations (line I). TEAM populates this field – lines F + I.
- (m) *Line M - Unobligated Balance of Federal Funds* – The federal share of the project for which the recipient has not entered into a binding commitment. TEAM populates this field – lines E to L.
- (n) *Line N - Total Recipient Share Required* – The total required recipient share for the Cooperative Agreement, Grant Agreement, or Other Agreement including amendments. The required recipient share should include all matching and cost sharing provided by recipients and third-party providers to meet the level required by FTA. TEAM populates this field.
- (o) *Line O - Remaining Recipient Share to be Provided* – The total recipient share required (line N) minus the sum of recipient share of expenditures (line G) and the recipient share of unliquidated obligations (line J). TEAM populates this field.
- (p) *Line P - Federal Program Income on Hand at the Beginning of the Reporting Period* – Any unspent federal program income on hand at the beginning of the project. In most instances, this line will be zero.
- (q) *Line Q - Total Federal Program Income Earned* – The amount of federal program income earned as of the end of the reporting period. Program income is: (1) gross income received by the recipient or sub-recipient directly generated by a project supported activity, or (2) earned only as a result of the Cooperative Agreement, Grant Agreement, or Other Agreement during the project period. Examples: income from (1) fees for services performed, (2) fees for the use or rental of real or personal property acquired with project funds, (3) the sale of advertising and concessions, and (4) the sale of commodities or items fabricated under a Cooperative Agreement, Grant Agreement, or Other Agreement. Program income is not: (1) interest on project funds; (2) rebates, credits, discounts, refunds, etc. and interest earned on any of them; or (3) sale of assets. (Proceeds from the sale of real property or equipment will be handled in accordance with the requirements of §§ 49

CFR Sections 18.31 and 18.32 or 49 CFR Sections 19.32 and 19.34, as applicable.)

- (r) *Line R - Federal Program Income Expended in Accordance with the Deduction Alternative* –The amount of program income that was used to reduce the federal share of the total project cost. **Only to be used if the recipient does not exercise the provisions of the common rule at 49 CFR paragraph 18.25(g)(5).** As a rule of thumb, this field is zero.
 - (s) *Line S - Federal Program Income Expended in Accordance with the Addition Alternative* – FTA does not allow this method; this field is zero.
 - (t) *Line T - Federal Program Income Expended on Allowable Transit Capital and Operating Expenses* –The amount of the federal program income earned that the recipient is allowed to spend on allowable transit capital and operating expenses as provided in the common rule at 49 CFR Paragraph 18.25(g)(5) or 49 CFR Section 19.24.
 - (u) *Line U - Unexpended Federal Program Income* – TEAM populates this field.
- (9) The remarks and certifications tab:
- (a) *Recipient Remarks* – This box is for the recipient to provide comments and provide any explanations or information deemed necessary for the review of the report.
 - (b) *Certification checkbox* – Before submitting the report, check the certification box. Please note the certification language. The name of the TEAM user and the date is automatically populated.
 - (c) *FTA Remarks* – This box is for the FTA reviewer to provide comments for both the FFR and MPR. Once FTA completes the review of the data, the reviewer will enter any comments in this box. The reviewer will contact the recipient by email if FTA added comments.

- d. Milestone Progress Reports. MPRs must be submitted for all active projects executed by the recipient and covered by this circular. The MPR is the primary written communication between the recipient and FTA.

All recipients must complete the basic summary tab of the milestone progress report section of TEAM and either complete the milestone progress tab or attach a quarterly narrative report as directed by the FTA project manager. Procedures for submitting

MPRs are described in the TEAM User Guide and are available from the FTA administering office.

Normally a quarterly narrative report is required for research projects as it permits the inclusion of more technical information as well as charts or photos. For projects funded by multiple agreements, the recipient may submit one quarterly narrative report for the entire project with prior approval of the FTA project manager. A copy must be attached for each agreement in TEAM.

The information provided in these reports should be as complete as possible, highlighting progress toward project objectives and any potential problem areas.

At a minimum, each quarterly narrative report should address the following:

- (1) A summary narrative on task elements and milestone status of project activities during the reporting period, including a comparison of actual accomplishments to the objectives established for the period. Accomplishments should include items such as:
 - (a) Significant results and major work tasks started, completed or documented.
 - (b) The percent of the budget expended by task, if appropriate. Where possible, accomplishments should be related to expenditures for the same period.
 - (c) An activity schedule (bar chart or critical path exhibit) in each quarterly report.
 - (d) Expenditures incurred by each task by ALIs so that it matches with any financial report submitted to the FTA project manager;
- (2) Reasons why any project objectives are not being met, identifying problem areas and the planned approach to resolve the problems;
- (3) Significant events affecting the progress of the project, both positively and negatively;
- (4) Whether the project is within the approved budget. If a cost overrun appears likely, explain the reason for the overrun and the measures taken to complete the project within budget, such as modifying or curtailing the scope of the project or securing additional financing from sources other than FTA. **NOTE:** Since the recipient agreed to carry out the project within a specific budget, reducing the scope of a project may require renegotiating downward the project budget and federal share;
- (5) Whether the project is on schedule. If the project completion date will be delayed, indicate the steps taken to:
 - (a) Bring the project back on schedule; or

- (b) Adjust other activities that may depend on project completion;
- (6) Projected activities for the next quarter and steps anticipated in carrying them out; and
- (7) Estimated completion dates, percent completed and funds required for completion.

A sample format for quarterly narrative reports is located in Appendix B of this circular. Depending on project complexity, at its discretion, FTA may also request other special reports or quarterly project management meetings.

- e. Reports of Significant Events. Unforeseen events that impact the schedule, cost, capacity, usefulness or purpose of the project should be reported to FTA immediately after detection and then reflected in the next quarterly MPR. Special reports should be submitted when:
 - (1) Problems, delays or adverse conditions will affect the recipient's ability to achieve project objectives within the scheduled time period or within the approved project budget. The report should discuss actions taken and/or contemplated and any federal assistance needed to resolve the situation; or
 - (2) Favorable developments will enable the recipient to achieve project goals/complete project activities ahead of schedule or at lower cost.
- f. Federal Funding Accountability and Transparency Act (FFATA) Sub-award and Executive Compensation Reporting. Recipients awarded new federal assistance greater than or equal to \$25,000 as of October 1, 2010 are subject to FFATA sub-award and executive compensation reporting requirements as outlined in the Office of Management and Budgets guidance issued August 27, 2010. The prime awardee is required to file an FFATA sub-award report by the end of the month following the month in which the prime recipient awards any sub-grant greater than or equal to \$25,000. Additionally, all primes must report on the names and compensation of their five most highly compensated officers of the company or the five most highly compensated officers of the first-tier recipients, if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in federal awards; and \$25,000 or more in annual gross revenues from federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986.

Instructions and the FFATA Sub-award Reporting System (FSRS) can be found at:
<https://www.fsr.gov>.

- g. Reports and Other Materials Produced by the Recipient. All reports, presentations and other products resulting from FTA sponsorship reports must contain the following acknowledgment and disclaimer:

DISCLAIMER NOTICE

This document is disseminated under the sponsorship of the United States Department of Transportation, Federal Transit Administration, in the interest of information exchange. The United States government assumes no liability for the contents or use thereof.

The United States government does not endorse products or manufacturers. Trade or manufacturers' names appear herein solely because they are considered essential to the contents of the report.

- h. Final Report. All recipients must submit a final report. Unless otherwise directed, technical assistance and training projects must submit a final narrative progress report in TEAM detailing the actual completion date of each task and a discussion of each task. Research and development projects must submit a Final Technical Report.
- i. Final and Other Major Technical Reports Produced by the Recipients. A Final Technical Report documenting project performance and the final results of research, development, demonstration, deployment or technical evaluation projects, including an Executive Summary, must be submitted by the contractor/recipient to the FTA project manager at the conclusion of the project. Some projects may produce multiple technical reports for each subtask rather than one final report covering the entire projects. For projects funded with multiple agreements, the recipient may submit one final report for the entire project with prior approval of the FTA project manager. A copy must be attached for each agreement in TEAM. All reports and supporting documentation must be provided to the FTA project manager in an electronic/web-ready format, as specified by FTA.
- (1) National Technical Information Service (NTIS) . All FTA-sponsored research, development, demonstration, deployment or technical evaluation documents must be entered into the National Technical Information Service (NTIS) system. All FTA-sponsored publications are available to the public from NTIS at <http://www.ntis.gov/>.
- (2) Electronic Copy of Report/Section 508 Compliant. Text supplied electronically may be provided by one or more of the following formats to facilitate posting on the FTA website: HyperText Mark-up Language (HTML), or searchable portable document file (PDF/Adobe Acrobat). All accompanying graphics must be provided in Graphic Interchange Format (GIF) or Joint Photographic Experts Group (JPEG) format or a format acceptable to FTA, in addition to their native format (e.g. Tag Image File Format [TIFF]).

- (a) Electronic Published Documents (Internet). All published documents (including graphics) must comply and be accessible in accordance with current requirements of Section 508 of the Rehabilitation Act of 1973, as amended. All documentation must be approved by FTA before distribution to the public and prepared in a format specified by FTA. FTA is required by law to develop its website and documentation therein to meet the requirements of Section 508 of the Rehabilitation Act, as Amended (29 U.S.C. Section 794d).
- (b) U.S. Access Board. Recipients of federal funds are responsible for consulting sources such as the Access Board <http://www.access-board.gov/508.htm>, and the section 508 website <http://www.section508.gov>.
- (c) Section 508 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. Section 794(d). Electronic and information technology requirements require federal agencies to make their electronic and information technology accessible to people with disabilities. The access board has stated that, “Section 508 [of the Rehabilitation Act] . . . applies to all federal agencies when they develop, procure, maintain, or use electronic and information technology. Federal agencies must ensure that this technology is accessible to employees and members of the public with disabilities to the extent it does not pose an “undue burden.”
- (3) Report Organization, Elements and Style. FTA requires all documentation to be Section 508 compliant and meet a high standard of organization and clarity of writing. The report must be organized with specific publication elements and report style guide located at http://www.fta.dot.gov/research/program_requirements. Contact the FTA project manager for further information.
- (4) All FTA-sponsored reports must contain the following disclaimers on the inside front cover if published in hard copy or in a comparable prominent location if published electronically:

DISCLAIMER NOTICE

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The United States government does not endorse products or manufacturers. Trade or manufacturers' names appear herein solely because they are considered essential to the contents of the report.

- (5) A report documentation page, Standard Form 298, "Report Documentation Page," must be in the front of all published research and technology reports. SF 298 is located at: http://www.fta.dot.gov/documents/SF_298.pdf.
5. **PRIOR APPROVALS.** Prior approval requirements depend on whether the recipient is a state or local government, in which case it is covered by 49 CFR Part 18 or an institution of higher education, hospital, and other nonprofit organization, in which case it is covered by 49 CFR Part 19. The requirements of 49 CFR Part 19 are also applied to for-profit organizations, except to the extent FTA has determined otherwise in writing. Prior approvals are also determined by the applicable cost principles.
- a. **Definition of Prior Approval.** "Prior approval" means prior written or electronic approval from an authorized FTA official before the expense is incurred or action takes place. Prior approval can take the form of FTA's acceptance of the proposal and/or proposal budget and subsequent incorporation into the award or written or electronic approval of a separate request submitted by the recipient.
- b. **Requirements for Prior Approvals.** Although the wording in 49 CFR Parts 18 and 19 is slightly different, the following actions require prior approval for all entities unless noted.
- (1) **Scope or Objective Change.** Change in the scope or the objective of the project or program (even if there is no associated budget revision).
 - (2) **Key Personnel Change.** Change in a key person specified in the application or award document.
 - (3) **Additional Federal Assistance.** The need for additional federal assistance.
 - (4) **Training Allowances.** The transfer of training allowances (direct payment to trainees) to other categories of expense.
 - (5) **Transfer of Work.** Unless described in the application and specified in the Cooperative Agreement, Grant Agreement, or Other Agreement, the sub-award, transfer, or contracting out of any work under an award. This provision does not apply to the purchase of supplies, material, equipment or general support services, however, see the requirements for equipment below under Federal Cost Principles.
 - (6) **Pre-award Costs.** If approved, all pre-award costs are incurred at the recipient's risks (e.g. the federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).
 - (7) **Time Extensions.** Initiate an extension of the expiration date of the award.

- (8) Transfers of Financial Assistance. The transfer of financial assistance between direct cost categories Activity Line Items (ALIs). See “Project Budget,” Chapter III, paragraph 6.b(2) in which the federal share of the project exceeds \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 20 percent of the total budget as last approved. No transfer can be made to be used for purposes other than those consistent with the original intent of the appropriation and the Cooperative Agreement, Grant Agreement, or Other Agreement.
- (9) Reduction of Effort. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved Project Manager or by the Principal Investigator (institutes of higher education, hospitals, nonprofits and for-profits).
- (10) Transfers Between Indirect Costs and Direct Costs. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa (institutes of higher education, hospitals, nonprofits and for-profits only).
- (11) Federal Cost Principles. The inclusion of costs that require prior approval in accordance with the Cost Principles. The applicable cost principles (see Chapter V of this circular, “[Financial Management](#)”) for each type of institution lists cost elements that require prior approval to be included in a budget. Recipients should refer to the Guidance for Grants and Agreements sections in: 2 CFR 220 (OMB Circular A–21, “Cost Principles for Educational Institutions”); 2 CFR 225 (OMB Circular A–87, “Cost Principles for State, Local, and Indian Tribal Governments”); 2 CFR 230 (OMB Circular A–122, “Cost Principles for Non-Profit Organizations”); or federal acquisition regulations Subpart 31.2 (48 CFR Chapter I, Subpart 31.2) which covers for-profit organizations. The following list contains examples of cost elements that might require prior approval:
 - (a) Capital expenditures
 - 1 Note: All equipment (See [Definitions](#)) not identified and approved in the award document requires prior approval.
 - (b) Costs of membership in civic, community and social organizations as a direct cost;
 - (c) Pre-award costs;
 - (d) Proposal costs as a direct charge;
 - (e) Travel costs of certain officials and foreign travel;
 - (f) Premiums for overtime, training and education costs; and
 - (g) Travel costs higher than maximum per diem rates.

c. Obtaining Prior Approval.

- (1) Budget Approvals. Cost elements included in the original application and approved budget constitute prior approval. Prior approvals related to the changes in the budget or cost elements should be submitted as a budget revision in TEAM no later than 30 days before the proposed change (see Section 6 below, “Project Modifications”).
- (2) Other Prior Approvals. Other approvals should be submitted to the FTA administering office in writing or by email by an authorized official with an explanation of the prior approval requested no later than 30 days before the proposed change.
- (3) Authorized FTA Official. An authorized FTA official may grant prior approval in writing, by email, or through approval in TEAM.
- (4) Failure to Obtain Prior Approval. Failure to obtain required prior approval, from the appropriate administering office may result in the disallowance of costs, termination of the award or other enforcement action within FTA’s authority.

6. PROJECT MODIFICATIONS. At times, it may be necessary to modify a Cooperative Agreement, Grant Agreement, or Other Agreement after federal assistance has been awarded by revising the budget or amending the agreement. The recipient is responsible for controlling and monitoring all project activities to ensure that they are carried out in accordance with the approved budget. The manner in which a budget is initially structured during the application phase can facilitate or impede project management, particularly when unforeseen events require changes in the project.

There are three ways to modify a project after federal assistance has been awarded: through 1) a budget revision, 2) an administrative amendment, or 3) an amendment to the agreement. Whether a budget revision may be permitted (with or without prior FTA approval before incurring costs) or whether an amendment to the project will be necessary depends on the effect of the proposed change on the scope of the project. If an ALI is added to an existing scope, the budget revision may be sent to the DOL for informational purposes, but the labor protection arrangements for the original project will apply to any modifications without further DOL certification. Recipients should contact the administering office for questions relating to project modification requests, including which project modification is appropriate for the proposed action.

Project modifications are electronically submitted, reviewed, and approved in TEAM.

a. Budget Revision.

- (1) General. Budget revisions may be made as long as there is no change in the recipient, purpose, scope codes and federal funding of the project, regardless of the fiscal year the federal assistance was appropriated. Budget revisions generally are

changes to ALI amounts or descriptions. A budget revision cannot be used to materially change the purpose or intent, such as the scope, or federal dollar amount of the federal assistance award. Budget revisions must be consistent with the activities contained in the SOW.

- (2) Procedures. Recipients must submit a budget revision in TEAM using the “Revise Project Budget” screen. Budget revision requests must include a reason for the revision. For each ALI being adjusted, either by quantity or dollar amount, recipients must include a brief explanation and impact to the project in the “Details” section for the change being requested. If necessary, additional information can be provided using the attachments feature in TEAM. The FTA reviewer will return incomplete budget revisions to the recipient for inclusion of additional information. For assistance with completing budget revisions, please contact the FTA administering office.

A recipient may request a budget revision either before or after incurring costs, depending on the nature of the request. If the budget revision meets the criteria outlined below in Paragraph (3), FTA concurrence is required before incurring costs associated with the proposed change.

- (3) Budget Revisions that Require Prior Approval. Under certain circumstances, a recipient must obtain FTA approval before incurring costs for proposed budget revisions. For these projects, the proposed budget revision must be submitted in TEAM and approved before incurring costs associated with the budget revision. If FTA determines the proposed budget revision does not meet the criteria for a budget revision, alternate methods for modifying the project, such as an amendment to the Cooperative Agreement, Grant Agreement, or Other Agreement, may be recommended. The FTA administering office will make this determination during its review. Prior FTA approval must be obtained if the proposed budget revision meets any of the following criteria:
 - (a) The federal share of the project exceeds \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 20 percent of the total budget as last approved.
 - (b) The addition of an ALI to an existing scope included in the project, provided that the request does not change the amount of federal assistance awarded in original the Cooperative Agreement, Grant Agreement, or Other Agreement or change the scope of the project as stated in the agreement.
 - (c) See above Subsection 5b, “Requirements for Prior Approvals,” of this circular for a listing of other budget revisions that require prior approval.
- b. Administrative Amendment. An administrative amendment is usually initiated by FTA and may only be used when no change will result in the scope, amount or purpose of the project. An administrative amendment may be used to change or clarify the terms,

conditions or provisions of a Cooperative Agreement, Grant Agreement, or Other Agreement. An administrative amendment is also used to change the year or type of federal assistance obligated for a project to transfer equipment from one recipient to another, to reflect a change in the recipient or recipient's name, or to de-obligate federal funds that are no longer needed to complete the approved project scope or purpose.

c. Amendment to the Agreement.

- (1) General. An amendment to the Cooperative Agreement, Grant Agreement, or Other Agreement is required when there is either a change in the scope or an addition of federal assistance to an existing agreement. Amendments to those agreements are subject to the same application requirements as a new federal assistance request. Amendments are subject to DOL certification, if applicable.
- (2) Procedure. Recipients submit requests for amendments to their agreements in TEAM using the "Create Amendment" screen. Amendments revise a Cooperative Agreement, Grant Agreement, or Other Agreement, including a revised budget, and may require a change in the amount of federal assistance obligated under that agreement. An amendment is subject to the same requirements as a new federal assistance request except that the recipient need not resubmit portions of its original application that are unaffected by the change. The recipient must submit a detailed description of the changes and a revised project budget. For example, in TEAM under the project details section for the project, recipients should include a header, "Amendment #1," and describe the reason for the amendment and the changes to the project and budget.
- (3) Change of Scope. FTA requires an amendment if the request changes the overall scope of a project or changes the project scopes within the Cooperative Agreement, Grant Agreement, or Other Agreement. Examples and an exception to changes in scope that result in an amendment to the agreement include:
 - (a) Examples of change in scope.
 - 1 A change in the central tasks outlined in the SOW.
 - 2 The addition of a new project scope code or the deletion of a project scope code if the deletion affects the intent or objectives of the project.
 - (b) Exception to change in scope. For earmarks, all changes to the project after award of federal assistance **must be consistent with the original intent of the congressional language.** Your FTA administering office will assist you in making this determination. For example, if the earmark is for research on fuel cells, an amendment to the Cooperative Agreement, Grant Agreement, or Other Agreement cannot be executed to change the scope to research on flywheels without explicit direction from Congress to FTA to change the earmark.

- (4) Change in Federal Assistance. FTA requires an amendment to the Cooperative Agreement, Grant Agreement, or Other Agreement if the request changes the total amount of federal assistance for the agreement. The one exception is if the scope of a project is unchanged and the only action is the de-obligation of federal assistance, an administrative amendment is used to process the modification. See above Section 6.b, "Administrative Amendment," of this chapter.

7. EQUIPMENT. Certain management standards apply to equipment purchased with federal assistance:

- a. Title. Title to equipment acquired by a recipient or sub-recipient with federal assistance shall vest in the recipient or sub-recipient, respectively, subject to conditions of this section.
- b. State Recipients. States may use, manage and dispose of equipment acquired under a project by the state in accordance with state laws and procedures (49 CFR Subsection 18.32(b)), as long as they comply with federal requirements.
- c. Recipients Other than States. Other recipients must follow FTA requirements and procedures outlined below.
 - (1) Use for the Project. The recipient must use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal assistance, and may not encumber the property without approval of FTA. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally sponsored activities, in the following order of priority:
 - (a) Activities sponsored by FTA, then
 - (b) Activities sponsored by other federal awarding agencies.
 - (2) Use Outside the Project. During the time that equipment is used for the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by FTA; second preference shall be given to projects or programs sponsored by other federal awarding agencies. If the equipment is owned by the federal government, use on other activities not sponsored by the federal government shall be permissible if authorized by the federal awarding agency. User charges shall be treated as program income.
 - (3) Fees for Other than Project Use. The recipient may not use equipment acquired with federal assistance to provide services to non-federal organizations for a fee that is less than private companies charge for equivalent services, unless

specifically authorized by federal statute, for as long as the federal government retains an interest in the equipment.

- (4) Acquiring Replacement Property. When acquiring replacement equipment, the recipient may use the equipment to be replaced for trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment, subject to the approval of FTA.
- (5) Property Management Standards. The recipient's property management standards for equipment acquired with federal assistance and non-federal owned equipment shall include all of the following:
 - (a) Equipment Records. Accurate equipment records shall be maintained and shall include the following information:
 - 1 A description of the equipment.
 - 2 Manufacturer's serial number, model number, federal stock number, national stock number or other identification number.
 - 3 Source of the equipment, including the award number.
 - 4 Whether title vests in the recipient or the federal government.
 - 5 Acquisition date (or date received, if the equipment was furnished by the federal government) and cost.
 - 6 Information from which one can calculate the percentage of federal participation in the cost of the equipment (not applicable to equipment furnished by the federal government).
 - 7 Location and condition of the equipment and the date the information was reported.
 - 8 Unit acquisition cost.
 - 9 Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the federal awarding agency for its share.
 - (b) Federal Ownership. Equipment owned by the federal government shall be identified to indicate federal ownership.
 - (c) Inventory. A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the

causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization and continued need for the equipment.

- (d) Control. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage or theft of the equipment. Any loss, damage or theft of equipment shall be investigated and fully documented. If the equipment was owned by the federal government, the recipient shall promptly notify the federal awarding agency.
- (e) Maintenance. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.
- (f) Disposition. When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards (Common Grant Rules, 49 CFR Parts 18 and 19):
 - 1 Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to FTA.
 - 2 For equipment with a current per unit fair market value of \$5,000 or more, the recipient may retain the equipment for other uses provided that compensation is made to the original federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of federal participation in the cost of the original project or program to the current fair market value of the equipment.
 - 3 If the recipient has no need for the equipment, the recipient shall request disposition instructions from the federal awarding agency. FTA shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported to the General Services Administration (GSA) by FTA to determine whether a requirement for the equipment exists in other federal agencies. FTA shall issue instructions to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern.
 - a If so instructed, or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse FTA an amount computed by applying to the sales proceeds the percentage of federal participation in the cost of the original project or program. However, the recipient shall be permitted to deduct and retain from the federal share \$500 or 10 percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.

- b If the recipient is instructed to ship the equipment elsewhere, the recipient shall be reimbursed by the federal government by an amount which is computed by applying the percentage of the recipient's participation in the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.
 - c If the recipient is instructed to dispose of the equipment, otherwise, the recipient shall be reimbursed by FTA for such costs incurred in its disposition.
- 4 FTA may reserve the right to transfer the title to the federal government or to a third-party named by the federal government when the third-party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards:
 - a The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.
 - b FTA shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with federal assistance for the project and federally owned equipment. If FTA fails to issue disposition instructions within the 120-calendar-day period, the recipient shall apply the standards of this section, as appropriate.
 - c When FTA exercises its right to take title, the equipment shall be subject to the provisions for non-federal owned equipment.
- 5 Sales Procedures. Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.
- (g) FTA's Special Disposition Authority. Under 49 U.S.C. Subsection 5334(h), FTA may authorize the recipient to transfer property acquired with financial assistance under 49 U.S.C. Chapter 53 to a local governmental authority to be used for a public purpose with no further obligation to the government, if FTA determines in writing that:
 - 1 The property will remain in public use for at least five years after the date transferred;
 - 2 There is no purpose eligible for assistance under this chapter for which the property should be used;

- [illegible]

data developed under a research, development, demonstration, deployment or technical evaluation project is to increase transportation knowledge, rather than limit the benefits of the project to project participants. Therefore, FTA generally expects the recipient to provide a report at the end of the project that FTA may publish or make available for publication on the Internet, in addition to any report that FTA may request that would contain proprietary information.

Except to the extent that FTA determines otherwise in writing, the recipient of federal assistance to support a research, development, demonstration or a special studies project agrees that, in addition to the rights in data and copyrights that it must provide to the federal government as set forth in 49 CFR Part 18 or Part 19, FTA may make available to any FTA recipient, sub-recipient, third-party contractor, third-party subcontractor, or other participant at any tier of the project, either FTA's license in the copyright to the subject data or a copy of the subject data. FTA provides an exception for adaptations of automatic data processing equipment or programs for the recipient's use when the costs thereof are financed through an FTA capital program.

- e. In addition, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under an award that were used by the federal government in developing an agency action that has the force and effect of law, FTA shall request, and the recipient shall provide within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If FTA obtains the research data solely in response to a FOIA request, the agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the agency, the recipient, and applicable sub-recipients. This fee is in addition to any fees the agency may assess under the FOIA. See 5 U.S.C. 552(a)(4)(A).

(1) The following definitions apply for purposes of this Subsection 8.e:

- (a) "Research data" is defined as the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews or communications with colleagues. This "recorded" material excludes physical objects (e.g. laboratory samples). Research data also do not include: (1) trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and (2) personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.
- (b) "Published" is defined as either when:

- 1 Research findings are published in a peer-reviewed scientific or technical journal; or
 - 2 A federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.
 - (c) “Used by the federal government in developing an agency action that has the force and effect of law” is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.
 - f. Title to intangible property and debt instruments acquired under an award or sub-award vests upon acquisition in the recipient. The recipient shall use that property for the originally authorized purpose and the recipient shall not encumber the property without approval of FTA. When no longer needed for the originally authorized purpose, disposition of the intangible property shall occur using procedures similar to those of Chapter IV, Paragraph 7.c of this circular, as applicable.
9. SUPPLIES. Certain management standards apply to supplies purchased with federal assistance. Supplies are all tangible personal property other than equipment with a unit value of less than \$5,000.
- a. Title to supplies and other expendable property shall vest in the recipient upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the project or program, and if the supplies are not needed for any other federally sponsored project or program, the recipient may retain the supplies for use on non-federal sponsored activities or sell them, but shall, in either case, compensate the federal government for its share. The amount of compensation shall be computed in the same manner as for equipment.
 - b. The recipient may not use supplies acquired with federal funds to provide services to non-federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by federal statute as long as the federal government retains an interest in the supplies.
10. THIRD-PARTY PROCUREMENT.
- a. Recipient’s Administrative Responsibilities. The recipient is the responsible authority, without recourse to FTA, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered in support of a project. This includes disputes, claims, protests of award, source evaluation, or other matters of a contractual nature. Matters concerning violation of a statute are to be referred to such federal, state, or local authority as may have proper jurisdiction.
 - b. FTA Procurement Guidance. The most important and comprehensive source of third-party procurement information for FTA-assisted projects is contained in FTA Circular

4220.1F, “Third-Party Contracting Guidance.” The circular provides guidance on FTA’s procurement requirements in light of the Common Grant rules at 49 CFR Parts 18 and 19. We strongly recommend that the recipient thoroughly review the statutes and regulations set forth in Appendix A of FTA Circular 4220.1F and FTA’s recommendations within the circular on how to comply with the statutory and regulatory requirements that apply to contracts supported by FTA assistance.

- c. Third-Party Contract Provisions. See Appendix D of FTA Circular 4220.1F, “Third-Party Contracting Guidelines,” for a list of applicable provisions to be contained in contracts.

11. PROJECT CLOSE-OUT. Project close-out is the term used to signify the process by which FTA determines that all activities in a project are complete and federal funds have been expended. Project close-out does not preclude FTA’s ability to seek repayment or other remedies for a recipient’s breach of project terms and conditions.

- a. Recipient’s Role and Responsibilities. The recipient must initiate close-out of a project when all approved activities are completed and applicable federal assistance is expended. All close-out documentation must be submitted within 90 days of the completion of all activities in the project or completion of the project period. This requires notifying FTA by letter or email that the project is ready for close-out. The recipient should electronically submit the following in TEAM as part of the project close-out process:

- (1) A final budget reflecting actual project costs by scope and activity;
- (2) A final FFR;
- (3) A final narrative MPR or Final Technical Report indicating the actual completion date of each task and a discussion of each task contained in the final budget;
- (4) An inventory list of any non-federal owned equipment used in the project and an inventory of equipment acquired with project funds. When the project ends, it is FTA’s view that the project property is no longer needed for research, development or demonstration purposes. FTA may authorize the transfer of that property in accordance with 49 CFR Sections 18.31, 18.32, or; 49 CFR Subsections 19.32(c) or 19.34(g) or 49 U.S.C. Section 5334(g and h). The FTA project manager will issue disposition instructions within 120 calendar days after receipt of the final inventory list;
- (5) A request to de-obligate any unexpended balance of Federal funds; and
- (6) Any other reports required as part of the terms and conditions of the Cooperative Agreement, Grant Agreement, or Other Agreement.

- b. Close-Out by FTA. FTA may unilaterally initiate project close-out. Circumstances that could cause FTA to close-out a project in whole or in part at any time before project completion include:
 - (1) The recipient's failure to comply with the terms or conditions of the Cooperative Agreement, Grant Agreement, Other Agreement or other federal requirements;
 - (2) Continuation of the project would not produce results commensurate with further expenditure of federal assistance;
 - (3) Federal assistance is no longer needed to accomplish the purpose of the project;
 - (4) Failure by the recipient to make reasonable progress to complete approved project activities; or
 - (5) Determination that the project has been essentially completed and/or approved and federal assistance has been substantially drawn down.
 - c. Adjustments to Federal Share of Costs. Necessary adjustments to the federal share of project cost are made after FTA receives and reviews the required project close-out information. Adjustments may also be necessary after the audit required by annual OMB Circular A-133 is performed. After a project has been closed, FTA assistance is not available for audit or other project activities. Additional information on the annual OMB Circular A-133 audit is contained in Chapter V, "Financial Management" of this circular. Any federal assistance received for the project by the recipient but not expended must be returned to FTA. For more information on returning funds to FTA, see Chapter V, "Financial Management."
12. SUSPENSION. The suspension of a Cooperative Agreement, Grant Agreement, or Other Agreement is an action by FTA which temporarily suspends federal assistance for a project pending corrective action by the recipient or pending a decision by FTA to terminate the agreement. If FTA determines that the recipient has failed to comply with the terms and conditions of the agreement, including the civil rights requirements, FTA notifies the recipient in writing of its intent to suspend its federal assistance award. FTA may withhold further payments and/or prohibit the recipient from incurring additional obligations pending corrective action by the recipient or a decision to terminate the agreement for cause. This includes work being performed by third-party contractors or consultants. Unless FTA notifies the recipient otherwise, suspension will not invalidate obligations properly incurred by the recipient prior to the date of suspension to the extent that they cannot be cancelled.
13. TERMINATION.
- a. Termination for Cause. FTA may terminate a Cooperative Agreement, Grant Agreement, or Other Agreement, in whole or in part, at any time before project completion, whenever it determines that the recipient failed to comply with the terms

and conditions of the agreement including failure to make reasonable progress. FTA will promptly notify the recipient in writing of its intent to terminate federal assistance and the reasons therefore and the effective date. Payments made to the recipient or recoveries by FTA are in accordance with the terms of the agreement and the legal rights and liabilities of both parties as defined in the agreement.

- b. Termination for Purposes of Law. By signing the agreement, the recipient agrees at the outset to a termination in the event the federal government determines that the purposes of the laws authorizing the project would not be adequately served by the continuation of federal assistance for the project.
- c. Termination for Convenience. FTA and the recipient may terminate a Cooperative Agreement, Grant Agreement, or Other Agreement as follows:
 - (1) By FTA with the consent of the recipient, in which case the two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.
 - (2) By the recipient upon sending to FTA written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if FTA determines in the case of partial termination that the reduced or modified portion of the project will not accomplish the purposes for which the federal assistance was awarded, it may terminate the agreement in its entirety.

The recipient may not incur new obligations for the terminated portion after the effective date and must cancel as many outstanding obligations as possible. FTA evaluates each obligation to determine its eligibility for inclusion in project costs. Settlement is made in accordance with terms and conditions of the Cooperative Agreement, Grant Agreement, or Other Agreement. FTA allows full credit to the recipient for the federal share of the obligations (that cannot be cancelled) when properly incurred by the recipient prior to termination.

- d. Partial Termination. In some cases, FTA may de-obligate FTA assistance in an approved project before close-out because FTA assistance is no longer needed to accomplish the purpose of the project.

14. RETENTION AND ACCESS REQUIREMENTS FOR RECORDS.

- a. Applicability. This section applies to all financial and programmatic records, supporting documents, statistical records and other records of recipients. Records retention and access requirements shall apply to the recipient's contractors, subcontractors and sub-recipients. Recipients shall include this requirement in recipient contracts and/or sub-agreements. These records are:

- (1) Those records required to be maintained by this circular or by the terms of the Cooperative Agreement, Grant Agreement, Other Agreement, or otherwise considered pertinent to FTA program requirements or the Master Agreement.
- (2) Those records executed electronically which may be retained in that same manner. Copies made by microfilming, photocopying or similar methods may be substituted for the original records. Files must be accessible for possible review, audit or downloading to paper when required.

b. Length of Retention Period.

- (1) Except as otherwise specified, records must be retained for three years from the starting date as specified below in Chapter IV, Subsection 14.c of this circular.
- (2) If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three-year period, the records must be retained for three years after completion of the action and resolution of all issues which arise from it.

To avoid duplicate record keeping, FTA may make special arrangements with recipients (including sub-recipients, as appropriate) to retain any records that are continually needed for joint use. FTA will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by FTA, the three-year retention requirement is not applicable to the recipient.

c. Starting Date of Retention Period.

- (1) General. The starting date for retention of records related to multiyear projects is the date of submission of the final FFR upon project completion or, if waived, the date it would have been due.
- (2) Equipment records. The retention period for the equipment records starts from the date of the equipment's disposition, replacement, or transfer at FTA's direction.
- (3) Records for income transactions after project close-out. In some cases recipients must report income after a project is closed out. Where there is such a requirement, the retention period for the records pertaining to the earning of the income starts from the end of the recipient's FY in which the income is earned.
- (4) Indirect Cost Rate Proposals, Cost Allocation Plans (CAPs) and Similar Rate, and Rate Allocation Methods. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, CAPs, and any similar accounting computations or the rate at which a particular group of costs is chargeable (such as computer usage charge back rates or composite fringe benefit rates).

- (a) If submitted for negotiation: If the proposal, plan or other computation is required to be submitted to the federal government (or to the recipient) to form the basis for negotiation of the rate, then the three-year retention period for its supporting records starts from the date of such submission.
 - (b) If not submitted for negotiation: If the proposal, plan or other computation is not required to be submitted to the federal government (or to the recipient) for negotiation purposes, then the three-year retention period for the proposal, plan or computation and its supporting records starts from the end of the FY (or other accounting period) covered by the proposal, plan or other computation.
- (5) Contract Records. The retention period for all required contract records commences after the recipients or sub-recipients make final payments and all other pending matters are closed.
- d. Substitution of Photocopies. Copies of documents may be substituted for the originals.
- e. Access to Records.
 - (1) Records of recipients and sub-recipients. FTA, the DOT Office of Inspector General, and the Comptroller General of the United States, or any of their authorized representatives, have the right of access to any books, documents, papers or other records of the recipient which are pertinent to the project, in order to perform audits, or make examinations, excerpts or transcripts.
 - (2) Expiration of right of access. The right of access in this section is not limited to the required retention period but continues as long as the records are retained.
- f. Restrictions on Public Access. Except as provided in Subsection 8.e of this chapter, the Federal Freedom of Information Act (FOIA) 5 U.S.C. Section 552 does not apply to recipient records owned and possessed by the recipient that have not been submitted to the federal government. Unless required by state or local law, recipients and sub-recipients are not required to provide periodic public access to their records.

However, FTA may request a recipient to provide access to those records the recipient maintains on behalf of FTA (i.e., records required by federal statute or regulation, such as Davis-Bacon wage records), or other records necessary to determine compliance with federal requirements established as conditions of eligibility for recipients of federal funding. FOIA, however, does apply to records the recipient does submit to FTA.

CHAPTER V

FINANCIAL MANAGEMENT

1. GENERAL. This chapter discusses the proper use and management of federal assistance the FTA expects from its recipients. Financial management is one of the most important practices in the management of federal assistance.
2. INTERNAL CONTROLS.
 - a. Definition. Internal controls are the organization plan, methods and procedures adopted by the recipient to ensure that effective control and accountability is maintained for all recipient and sub-recipient projects, cash, real and personal property and other assets. Recipients and sub-recipients must ensure that resources are properly used and safeguarded and that they are used solely for authorized purposes.
 - b. General. FTA payments to a recipient are made electronically to meet the federal share of eligible expenses under a federally assisted project.

The recipient's execution of an award of FTA assistance requires the recipient to use the federal assistance it receives as specified in the Cooperative Agreement, Grant Agreement, or Other Agreement. This creates a vested interest by the federal government in unused balances of federal assistance, any improperly applied federal assistance, and property or facilities purchased or otherwise acquired under the project whether federal assistance is received by the recipient as an advance or by reimbursement.

Recipients and sub-recipients are responsible for establishing and maintaining adequate internal control over all their functions that affect implementation of a non-federal assisted project.

For proper project management, these controls must be used by each recipient in all its operating, accounting, financial and administrative systems. To assure proper accountability for federal assistance, internal controls must be integrated with the management systems used by the recipient to regulate and guide its operations.

- c. Objectives. Resources must be used in accordance with applicable state, local, and federal laws, regulations, and policies and the Cooperative Agreement, Grant Agreement, or Other Agreement. Resources must be safeguarded against waste, loss and misuse. Reliable data on resource use and safeguards must be accumulated, maintained and fairly disclosed in reports to recipient management and FTA. A proper system of internal controls will help the recipient to:
 - (1) Operate efficiently and economically;

- (2) Keep obligations and costs within the limits of authorizations and legal requirements, consistent with accomplishing the purpose of the project;
 - (3) Safeguard assets against waste, loss and misuse;
 - (4) Ensure timely collection and proper accounting of the recipient's operating and other revenues; and
 - (5) Ensure accuracy and reliability in financial, statistical and other reports.
- d. Necessary Elements. Certain elements are necessary to achieve the objectives mentioned above in subsection 2.c of this chapter of the circular and meet the standards discussed below in subsection 2.e. The following objectives and standards facilitate the recipient's use of internal controls:
- (1) Reasonable assurance that internal controls are an integral part of the recipient's management systems;
 - (2) Existence of a positive and supportive attitude among recipient managers and employees;
 - (3) Assignment of internal control functions to competent and experienced employees;
 - (4) Identification of specific internal control objectives to assure that needs are identified and that valid controls are planned and implemented;
 - (5) Adoption of internal control policies, plans and procedures that reasonably assure their effectiveness, such as organizational separation of duties and physical arrangements such as locks and fire alarms; and
 - (6) Regular program of testing to identify vulnerabilities in the internal control system.
- e. Standards of Internal Control and Audit Resolutions.
- (1) General.
 - (a) Recipient management policies that govern project implementation must be clearly stated, understood throughout the organization, and conformed to applicable legislative and administrative requirements.
 - (b) The recipient's formal organization structure must clearly define, assign and delegate appropriate authority for all duties.
 - (c) Responsibility for duties and functions must be segregated within the organization to assure that adequate internal checks and balances exist. Recipients should pay particular attention to authorization, performance,

recording, inventory control and review functions to reduce the opportunity for unauthorized or fraudulent acts.

- (d) A system of organizational planning should exist to determine financial, property and personnel resource needs.
 - (e) Written operating procedures should be simply stated, yet meet the recipient's operating, legal and regulatory requirements. In developing its procedures, the recipient should consider such factors as feasibility, cost, risk of loss or error, and availability of suitable personnel. Other important considerations are the prevention of illegal or unauthorized transactions or acts.
 - (f) The recipient's information system must reliably provide needed operating and financial data for decision-making and performance review.
 - (g) The recipient must provide proper supervision, and performance must be subject to review of an effective internal audit program.
 - (h) All personnel must be properly qualified for their assigned responsibilities, duties, and functions. Education, training, experience, competence and integrity should be considered in assigning work. All must be held fully accountable for the proper discharge of their assignments.
 - (i) Expenditures must be controlled so that construction, equipment, goods and services are acquired and received as contracted for (as to quality, quantity, prices and time of delivery). Authorizations for expenditures must conform to applicable statutes, regulations and policies.
 - (j) All real property, equipment, expendables and funds must be safeguarded to prevent misuse, misappropriation, waste or unwarranted deterioration or destruction.
- (2) Internal Control Self-Assessment. Recipients should evaluate their internal control and financial management systems to ensure they are effective. To assist with the evaluation, FTA developed an example of an Internal Control Self-Assessment Form. While designed for public transportation agencies, most of the principles apply to other types of organizations that may also find it useful. The optional form is designed to provide management staff with the information necessary to evaluate their internal control and financial management system. The form is based on the criteria for effective internal control as set forth in Internal Control—Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Committee (the COSO Report), as well as the criteria for effective financial management systems established by FTA, based on 49 CFR part 18, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" (the "Common Grant Rule"). Recipients may access the Internal Control Self-Assessment Form at the following website:

http://www.fta.dot.gov/documents/FTA_Internal_Control_Self-Assessment_Tool.pdf.

(3) Financial Management Systems.

(a) States: A state must expend and account for federal assistance for its projects in accordance with state laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the state, as well as its sub-recipients and cost-type third-party contractors, must be sufficient to:

- 1 Permit preparation of reports required by the Common Grant Rule, 49 CFR part 18 and the statutes authorizing the federal assistance, and
- 2 Permit the tracing of funds to a level of expenditures adequate to establish that such federal assistance has not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) Entities Other than a State: The financial management systems of other recipients and sub-recipients must meet the following standards:

- 1 Financial Reporting. Accurate, current and complete disclosure of the financial results of non-federal assisted activities must be made in accordance with financial reporting.
- 2 Accounting Records. Recipients and sub-recipients must maintain records which adequately identify the source and application of funds provided for non-federal assisted activities. These records must contain information pertaining to recipient or sub-recipient awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
- 3 Internal Control. Effective control and accountability must be maintained for all cash, real and personal property, and other assets within the recipients' and sub-recipients' projects. Recipients and sub-recipients must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
- 4 Budget Control. Actual expenditure or outlays must be compared with budgeted amounts for each recipient or sub-recipient project. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the Cooperative Agreement, Grant Agreement, Other Agreement, or sub-agreement. If the unit cost data are required, estimates based on available documentation will be accepted whenever possible.

- 5 Allowable Cost. Applicable Office of Management and Budget (OMB) cost principles, as stated in 2 CFR parts 220, 225, and 230 and Federal Acquisition Regulation (FAR) subpart 31.2, agency program regulations, and the terms of the underlying Cooperative Agreement, Grant Agreement, Other Agreement, or sub-agreement will be followed in allowability and allocability of costs.
 - 6 Source Documentation. Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, third-party contract and sub-agreement award documents.
 - 7 Cash Management. Procedures for minimizing the time elapsing between the transfer of funds from the Treasury and disbursement by recipients and sub-recipients must be followed whenever advance payment procedures are used. Recipients must establish reasonable procedures to ensure that the reports on sub-recipients' cash balances and cash disbursements are received in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by electronic transfer of funds methods, the recipient must make drawdowns as close as possible to the time of making disbursements. Recipients must monitor cash drawdowns by their sub-recipients to ensure that those drawdowns conform substantially to the same standards of timing and amount that apply to advances to the recipients. Payments received from FTA must be disbursed within three business days. If not disbursed within three days, that federal assistance becomes excess and must be returned to FTA with interest.
3. NON-FEDERAL MATCH. The recipient agrees to provide sufficient funds or approved in-kind resources to serve as non-federal match for all non-federal assisted projects in compliance with 49 U.S.C. Chapter 53. The recipient certifies that it has or will have available the proportionate amount of non-federal share promptly as project costs are incurred or become due, except to the extent that the federal government determines in writing that the non-federal share may be deferred. The recipient may not use an amount as match for more than one federal or non-federal assisted project.
4. GENERAL PRINCIPLES FOR DETERMINING ALLOWABLE COSTS.
 - a. General. Recipients must follow the guidelines contained in the applicable OMB cost principles circulars in determining whether project costs are allowable or unallowable.
 - (1) OMB guidance for grants and agreements, "Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87)," 2 CFR part 225.
 - (2) OMB guidance for grants and agreements, "Cost Principles for Educational Institutions (OMB Circular A-21)," 2 CFR part 220.

- (3) OMB guidance for grants and agreements, “Cost Principles for Non-Profit Organizations (OMB Circular A-122),” 2 CFR part 230.
- (4) FAR, at 48 CFR Chapter 1, subpart 31.2, “Contracts with Commercial Organizations,” covers for-profit organizations.

Sub-recipients must follow the cost principles applicable to them, which are not necessarily the same as the costs principles that apply to the recipient.

Project costs must specifically relate to the purpose of the Cooperative Agreement, Grant Agreement, or Other Agreement, and the latest approved project budget. Recipients may incur costs of both a direct and indirect nature. Direct costs are costs that can be identified specifically with a particular cost objective. These costs may be charged directly to the federally assisted project, third-party contracts or to other programs against which costs are finally lodged. All direct costs, even for project administration activities, must be adequately supported with proper documentation. For example, all labor charges must be supported with Time and Attendance (T&A) records. Indirect costs must be supported by an approved CAP and/or Indirect Cost Proposal.

Care must be exercised when incurring costs to ensure that all expenditures meet the criteria of eligible costs. Failure to exercise proper discretion may result in expenditures for which use of project funds cannot be authorized.

- b. Allowable Costs. The criteria that govern the eligibility of project costs are listed below in Subsections (1) – (11). To be allowable under a federal assistance program, costs must meet the following general criteria:

- (1) Be allocable to the award under the provisions of the applicable cost principles;
- (2) Be necessary and reasonable for proper and efficient administration of the federal assistance program, be allowable under the principles contained in the OMB circulars and except as specifically provided in this circular, not be general expenses required to carry out the overall responsibilities of state or local governments, or other entity that is the recipient;
- (3) Be authorized or not prohibited under state laws, local laws or regulations;
- (4) Be able to conform to any limitation or exclusions set forth in the federal cost principles, federal laws or other governing limitations as to types or amounts of cost items;
- (5) Be consistent with policies, regulations and procedures that apply uniformly to both non-federal assisted and other activities of the unit of government or other entity of which recipient is a part;

- (6) Be treated consistently. A cost may not be assigned to a non-federal assisted project as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the non-federal assisted project as an indirect cost;
 - (7) Be determined in accordance with Generally Accepted Accounting Principles (GAAP) appropriate to the circumstances;
 - (8) Not be allocable to or included as a cost of any other non-federal financed program in either current or prior periods;
 - (9) Be net of all applicable credits;
 - (10) Be adequately documented, and
 - (11) Not be incurred prior to the federal assistance award unless specifically provided for in a Letter of No Prejudice (LONP) or equivalent document approved by FTA, or in the pre-award authority as described in the *Federal Register* listing of the Annual Apportionments.
- c. Disallowed Costs. In determining the amount of federal assistance FTA will provide, FTA will exclude:
- (1) Any project costs incurred by the recipient prior to the date of either the approved grant or the approved project budget (whichever is earlier), unless specifically provided for in a LONP or equivalent document approved by FTA, or in the pre-award authority as described in the *Federal Register* listing of the Annual Apportionments; and
 - (2) Any costs attributable to goods or services received under a third-party contract or other arrangement that is required to be, but has not been, concurred in or approved in writing by FTA.

The recipient agrees that reimbursement of any cost in accordance with indicated payment methods for an approved Cooperative Agreement, Grant Agreement, or Other Agreement does not constitute a final FTA decision about the allowability of that cost and does not constitute a waiver of any violation by the recipient of the terms of approved grant or Cooperative Agreement, Grant Agreement, or Other Agreement. If the federal government determines that the recipient is not entitled to receive any part of the federal assistance requested, the federal government will notify the recipient stating the reasons. Project close-out will not alter the recipient's obligation to return any funds due to FTA as a result of later refunds, corrections or other transactions. Nor will project close-out alter FTA's right to disallow costs and recover funds on the basis of a later audit or other review. Unless prohibited by law, FTA may offset any federal assistance funds to be made available under a Cooperative Agreement, Grant Agreement, or Other Agreement necessary to satisfy any outstanding monetary claims

that FTA may have against the recipient. Exceptions pertaining to disallowed costs are set forth in FTA directives or in other written federal guidance.

5. INDIRECT COSTS.

- a. General. The applicable OMB cost principles circular as stated in 2 CFR parts 220, 225, and 230 and FAR subpart 31.2 define the allowability of indirect costs and establish procedures for developing approved indirect cost rates. In addition, CAPs are required for state and local governments subject to 2 CFR Part 225. CAPs and/or Indirect Cost Proposals must be approved by FTA or another cognizant federal agency.
- b. Definitions. Indirect costs are costs that are:
 - (1) Incurred for a common or joint purpose benefiting more than one cost objective;
 - (2) Not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved; and
 - (3) Originating in the recipient department that is carrying out the project, as well as those incurred by other departments in supplying goods, services and facilities to the recipient department.

Examples of indirect costs are administrative, operational and expenses of unit heads and their immediate staff. Principles and standards for determining costs applicable to grants and contracts with recipients are presented in the applicable cost principles circular.

- c. Cognizant Federal Agency. Cognizance is generally assigned to the federal agency that provides the predominant amount of federal funding or federal assistance involvement with a recipient organization within a given state or locality. (OMB has assigned cognizant audit agencies for state and local governments. See *Federal Register* 51 FR 552, Jan. 6, 1986.) For educational institutions, cost negotiation cognizance is generally assigned to either the Department of Health and Human Services (DHHS) or the Department of Defense's (DOD) Office of Naval Research. For those cases where a recipient is not assigned a cognizant agency, the recipient will be under the general oversight of the federal agency that provides it the most federal funds or federal assistance; which will also be identified as the "lead" federal agency.
- d. Types of Plans. There are two types of cost plans.
 - (1) Applicable to all recipients charging indirect costs is the Indirect Cost Proposal, which is a financial document that is updated annually, at the operating agency level, which distributes the administrative support and/or overhead costs of that agency to the programs (and the grants and contracts) which benefit from them.

- (a) A nonprofit organization that has not previously established an indirect cost rate with a federal agency shall submit its initial Indirect Cost Proposal immediately after the organization is advised that an award will be made and, in no event, later than three months after the effective date of the award.
 - (b) DHHS maintains a website on cost allocation for all the categories of recipients, with samples of Indirect Cost Proposals, at <http://rates.psc.gov>.
- (2) The second type of plan covers a Cost Allocation Plan (CAP) that distributes the costs of a state/local government's executive and central level support functions to those operating organizations (usually at a lower tier level) within the government which benefit from them. These documents are also referred to as a State-Wide or Local-Wide Cost Allocation plans (SWCAPs/LWCAPs). All SWCAPs must be submitted annually to the Department of Health & Human Services (DHHS) for approval. DHHS is the cognizant agency for all states. Similarly, the LWCAPs of designated major cities and counties must also be submitted annually to DHHS or to another federal cognizant agency. The costs approved under these plans may, at the option of the state or local government, be incorporated in the Indirect Cost Proposals of a recipient agency within the government.

6. PROGRAM INCOME.

- a. General. FTA's program income policy for state governments, local governments and Indian tribes are in the Common Grant Rule at 49 CFR Section 18.25. Although similar, the program income requirements for institutes of higher education, hospitals, nonprofits and for-profits only are in 49 CFR Section 19.24. Recipients are encouraged to earn income to defray program costs. Program income means:
 - (1) Gross income received by the recipient or sub-recipient directly produced by a project supported activity, or
 - (2) Earned only as a result of the Cooperative Agreement, Grant Agreement, or Other Agreement during the project period (the time between the effective date of the project and the ending date of the project reflected in the final financial report).
- b. Sources. Program income includes income:
 - (1) From fees for services performed,
 - (2) From the use or rental of real or personal property acquired with federal assistance,
 - (3) From the sale of commodities or items fabricated under a non-federal assisted project, and
 - (4) From payments of principal and interest on loans made with federal assistance for the project.

Except as otherwise provided in FTA or Department of Transportation (DOT) regulations, program income does not include interest on federal assistance, rebates, credits, discounts, refunds and so forth, or interest earned on any of them.

- c. Cost of Producing Program Income. If authorized by federal regulations or the Cooperative Agreement, Grant Agreement, or Other Agreement, costs incident to the production of program income may be deducted from gross income to determine program income.
- d. Governmental Revenues. Taxes, special assessments, levies, fines and other similar revenues produced by a recipient or sub-recipient are not program income unless the revenues are specifically identified in the Cooperative Agreement, Grant Agreement, Other Agreement, or federal agency regulations as program income.
- e. Property. Proceeds from the sale of real property or equipment will be administered in accordance with the requirements of 49 CFR Sections 18.31 and 18.32 or 19.32 and 19.34.
- f. Use of Program Income.
 - (1) States and Local Governments. FTA allows states and local governments to keep program income and use it for allowable activities in 49 U.S.C. Chapter 53; that is, for capital, planning, or operating expenses. Program income may not be used to reduce the non-federal share of the project from which it was earned, but may be used in future Cooperative Agreements, Grants, or Other Agreements. If recipients choose not to use program income for public transportation purposes, then the program income shall be deducted from total allowable costs to determine the net allowable costs unless otherwise specified in the terms and conditions of the agreement.
 - (2) All Other Recipients. Program income shall be deducted from total allowable costs to determine the net allowable costs unless otherwise specified in the terms and conditions of the Cooperative Agreement, Grant Agreement, or Other Agreement.
 - (a) Research Exception. For research projects (see “[Research and Development](#)” definition), program income shall be added to funds committed to the project and used to further eligible project or program objectives unless otherwise specified in the terms and conditions of the agreement.
- g. Income After the Project Period. Unless the terms and conditions of the Cooperative Agreement, Grant Agreement, or Other Agreement provide otherwise, recipients shall have no obligation to the federal government regarding program income earned after the end of the project period.

7. ANNUAL AUDIT.

- a. General. OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the most recent version of the OMB Circular A-133, "Compliance Supplement," provide the requirements for annual audits of federal assistance recipients. Both documents are available on the OMB website at <http://www.whitehouse.gov/omb/assets/omb/circulars/a133/a133.pdf>
- b. Requirement. Recipients that expend \$500,000 or more in a year in federal funds from all sources shall have a single audit conducted, except when they elect to have a program-specific audit conducted.

While OMB Circular A-133 is directed only to states, local governments, and nonprofit organizations, FTA may also require for-profit organizations that receive federal funds to undertake an audit in conformance with OMB Circular A-133 requirements.

FTA recipients are required to obtain the services of an independent auditor to conduct a single audit each year in conformance with OMB Circular A-133, except if a state constitution or statute provides for a single biennial audit.

Recipients are required to submit one copy of their annual single audit report to FTA if the audit report contains any findings and recommendations related to the FTA program or another DOT program or, in those cases in which the audit report does not contain any FTA findings or recommendations, a copy of only the federal clearinghouse transmittal sheet, "Data Collection Form for Reporting on Audits of States, Local Governments, and Non-Profit Organizations, OMB Form SF-SAC" should be submitted to the FTA administering office.

Recipients shall keep one copy of the data collection form and one copy of the audit reporting package on file for three years from the date of submission to the federal clearinghouse. Pass-through entities shall keep their sub-recipients' submissions on file for three years from date of receipt.

- c. Purpose. The purpose of the single annual audit report is to determine whether the recipient:
 - (1) Prepared financial statements that fairly present its financial position and the results of its financial position and the results of its financial operations in accordance with GAAP;
 - (2) Has in place internal accounting and other control systems to provide reasonable assurance that it is managing federal financial assistance programs in compliance with applicable laws and regulations; and
 - (3) Has complied with laws and regulations that may have material effect on its financial statements and on each of its major federal assistance programs.

The annual single audit is to be performed by an independent auditor who is required to determine and report on whether the recipient has internal control systems that reasonably assure it is managing federal assistance programs in compliance with applicable laws and regulations.

Recipients are required to determine whether certain sub-recipients have spent federal assistance funds they received in accordance with applicable laws and regulations. Audit judgment concerning the recipient's determination is left to the independent auditor.

- d. Resolution of Audit Findings. Recipients and sub-recipients are responsible for the prompt resolution of all audit findings and recommendations. This responsibility requires that the recipient:

- (1) Promptly evaluate the report;
- (2) Determine the appropriate follow-up actions and establish a date for their completion; and
- (3) Complete all required actions within the established period of time.

The recipient must resolve deficiencies or opportunities for improvement identified in an audit. The resolution of audits begins with FTA's report to the recipient and continues until the recipient corrects identified deficiencies, implements needed improvements, or demonstrates that the findings or recommendations are not valid or do not warrant management action.

The audit is not resolved until FTA concurs in the documentation of steps taken to implement any needed corrective actions. The recipient should monitor and report on the status of outstanding audit findings and recommendations in its quarterly progress reports and, where appropriate, report separately on significant events.

8. PAYMENT PROCEDURES.

- a. General. Provisions in 49 CFR Section 18.21 and Section 19.22, and 31 CFR Part 205 govern payments to recipients for financing operations under a federally assisted project and other programs. These regulations require that payment to a recipient be limited to the minimum amounts needed and timed so as to be in accord only with the actual, immediate cash requirements of the recipient in carrying out the approved project.

Before a potential recipient requests FTA assistance, it should verify in TEAM that federal assistance is available for the project. FTA assistance should not be requested in amounts greater than the "available funds" reported in TEAM.

- b. Payment Basis. FTA makes all payments on a progress or milestone completion basis.

- (1) Progress payments. FTA may make payments based on costs incurred or expected over the requested period in the near future.
 - (2) Milestone completion payments. To ensure that the recipient is making adequate progress toward project completion, FTA may require milestone completion payments. A schedule of project milestones is established, with estimated costs, upon completion of which FTA will make payment. The milestone costs should be considered estimates, not fixed prices, and FTA can only make payment for actual and allowable costs incurred for completion of that milestone.
- c. Payment Methods. FTA makes all payments by the Treasury's Automated Clearing House (ACH) method of payment, regardless of the dollar amount involved. ACH electronically sends payment to a payee's bank for deposit to the payee's bank account. Cash payments to recipients are made using various payment methods.

Recipients of programs covered by this circular must use Standard Form 270 (SF-270), "Request for Advance or Reimbursement," to receive payment. The form is required to be submitted to the Federal Aviation Administration's (FAA's) Enterprise Service Center (ESC) in Oklahoma City, Oklahoma. Instructions for completing the SF-270 and the ESC's mailing address can be found in Appendix D of this circular.

Recipients that receive payments from other FTA programs through the Electronic Clearing House Operation (ECHO) system **CANNOT** use the ECHO system to draw down federal assistance for projects covered by this circular.

- d. Excessive or Premature Withdrawals.
- (1) General. For excess payments made by the federal government to the recipient that do not qualify as a "claim" for purposes of the Debt Collection Act of 1982, as amended, 31 U.S.C. Sections 3701 *et seq.*, the recipient agrees that the amount of interest owed to the federal government depends on whether the recipient is a state or state instrumentality.
 - (a) A recipient that is a state or state instrumentality agrees that interest owed to the federal government will be determined in accordance with Treasury regulations, "Rules and Procedures for Efficient Federal State Funds Transfers," 31 CFR part 205 that implements Section 5(b) of the Cash Management Improvement Act of 1990, as amended, 31 U.S.C. Subsection 6503(b).
 - (b) A recipient that is neither a state nor a state instrumentality agrees that common law interest owed to the federal government will be determined in accordance with joint Treasury/DOJ regulations, "Standards for the Administrative Collection of Claims," at 31 CFR Subsection 901.9(i).

- (2) Exceptions. The only exceptions to the requirement for prompt refunding are when the federal assistance involved:

- (a) Will be disbursed by the recipient within seven calendar days; or
- (b) Is less than \$10,000 and will be disbursed within 30 calendar days.

These exceptions to the requirement for prompt refunding should not be construed as approval for a recipient to maintain excessive funds. They are applicable only to excessive amounts of funds which are erroneously drawn.

- (3) Return of Funds. The return of funds is accomplished as follows:

- (a) FTA requests the recipients to electronically remit the excessive cash and any interest to FTA using the U.S. Treasury's Pay.gov financial collection system Gov Financial Collection System (<https://www.Pay.Gov>).
- (b) Although paper checks are discouraged, recipients may mail refund checks to FAA (FTA's accounting service center) in Oklahoma City. If a single check is used to remit the premature withdrawal and the interest, the amount of each must be separately identified and accompanied by a letter explaining the purpose of the check(s) and identifying the project number. A copy of the check and the letter should be sent to the recipient's administrating office. Additional information pertaining to the mailing of checks is located below in Subsection 8.f of this chapter of this circular.

- e. Repayment to FTA. FTA program managers will be alert to any information which may indicate a potential repayment. The following are possible reasons for payments becoming due to FTA:

- (1) Insufficient non-federal funds to match federal payments;
- (2) The sale of project equipment; or
- (3) Excessive federal funds in the project account.

- f. Repayment Procedure. Required repayments must be made promptly to FTA. Recipients can submit repayments through the Treasury's Pay.gov financial collection system Gov Financial Collection System (<https://www.Pay.Gov>) for all refunds and repayments or by check using these steps:

- (1) Make the check payable to "Federal Transit Administration;"
- (2) Mail all checks to the FAA/Federal Transit Account;
- (3) Specify applicable project number(s) on the check;

- (4) Provide written explanation as to purpose of payment; and
 - (5) Send a copy of the check and the explanatory letter to the recipient's administering office.
- g. Requirement to Remit Interest. Under FTA's Master Agreement, company or recipient organizations shall be required to remit any interest earned on excess federal assistance drawn down and failed to spend for eligible project activities or were held in excess of three calendar days. Payments of interest must be made by using the Pay.gov financial collection system.
- Unless waived by FTA, interest will be calculated at rates imposed by the Department of the Treasury (<http://fms.treas.gov/>) beginning on the fourth day after the funds were deposited in the company or recipient organization's bank or other financial depository. Upon notice by FTA to the company or recipient organization of specific amounts due, the company or recipient organization shall promptly remit to FTA any excess federal assistance payments, including any interest due.
- h. De-obligation of Funds. FTA reserves the right to de-obligate unspent federal assistance prior to project close-out.
- i. Right of FTA to Terminate. The recipient agrees that, upon written notice, FTA may suspend or terminate all or part of the federal assistance provided herein if the recipient is, or has been, in violation of the terms of its Cooperative Agreement, Grant Agreement, or Other Agreement, or if FTA determines that the purposes of the statute under which the project is authorized would not be adequately served by continuation of federal financial assistance for the project. Any failure to make reasonable progress or other violation of the agreement that significantly endangers substantial performance of the project shall be deemed to be a breach of the agreement.

In general, termination of any federal assistance under the agreement will not invalidate obligations properly incurred by the recipient and concurred in by FTA before the termination date, to the extent those obligations cannot be canceled. However, if FTA determines that the recipient willfully misused FTA assistance funds by failing to make adequate progress; by failing to make reasonable use of the project real property, facilities or equipment; or failing to honor the terms of the approved grant, FTA reserves the right to require the recipient to refund the entire amount of federal assistance provided herein or any lesser amount as may be determined by FTA.

Expiration of any project time period established for this project does not by itself constitute an expiration or termination of the agreement.

Neither the receipt by the recipient of any federal agreement for the project nor the closeout of federal financial participation on the project shall constitute a waiver of any claim that FTA may otherwise have arising out of the agreement.

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CHAPTER VI

FTA OVERSIGHT

1. GENERAL. The Federal Transit Administration (FTA) may evaluate recipient adherence to program and administrative requirements through a comprehensive oversight program. FTA's Master Agreement, which is incorporated by reference and made part of the Cooperative Agreement, Grant Agreement, or Other Agreement, specifies these requirements. FTA may determine compliance through self-certification, oversight review, audits and site visits. On an annual basis, FTA may complete an individual Recipient Oversight Assessment Questionnaire, which serves as baseline information for each recipient's capacity to comply with federal requirements and determines the risk the recipient's program may represent for the federal program. Based on this information, FTA makes decisions about which recipients will receive oversight reviews during the coming year. Administering office staff use the information to develop oversight plans and to allocate oversight resources for the upcoming Fiscal Year (FY), which may include oversight reviews, meetings and/or site visits.

FTA may conduct on-site inspections of projects to evaluate the recipient's effectiveness in implementing the project in conformance with the Cooperative Agreement, Grant Agreement, or Other Agreement. Inspection visits may be made, for example, to follow up on information received from the recipient about an event with significant impact on a project or to determine whether the recipient has adequately complied with civil rights laws, regulations and agreements. Inspection and concurrence by FTA in project work does not relieve the recipient of its responsibilities and liabilities as the responsible party for carrying out the project.

2. PROGRAM SPECIFIC REVIEWS.

- a. Financial Management Oversight (FMO) Program. Under the FMO program, FTA may conduct several types of reviews:
 - (1) The full scope system (full scope) review determines that the recipient's financial management system meets the requirements of the Common Rules, 49 CFR Section 18.20 and 49 CFR Section 19.20. The intent of the review is to assure FTA that the recipient has in place proper financial controls and checks and balances to manage and track federal assistance. For FTA's recipients that have capital funding, planning, and/or operations funds, FMO contractors conduct a series of interviews, a full transaction review and appropriate substantive tests. The contractors then express an objective, external, independent, professional opinion to FTA, in accordance with established public accounting standards, on the effectiveness of the recipients' internal control environment. An average review takes three to four weeks at the recipient's site.
 - (2) Follow-ups to a full scope review are primarily performed to ensure those recommendations resulting from full scope reviews are implemented and operating

properly. If FTA conducts a follow-up review, it will normally occur between 12 – 18 months after the full scope review.

- (3) The purpose of a Cost Allocation Plan (CAP)/Indirect Cost Rate review is to determine whether the methodology for allocating indirect cost to a non-federal assisted project is calculated in a manner consistent with the applicable Office of Management and Budget circular. The CAP is a financial document which is used to distribute the cost of a state or local government's executive and central level support functions to those operating organizations within that government that benefit from them. If a recipient wishes to be reimbursed for its indirect costs under an FTA-assisted project, it must substantiate those costs with an indirect cost calculation.
 - (4) On a case-by-case basis, FTA conducts Financial Management Oversight Special Assignments (also known as special reviews) related to recipients' financial management issues. FTA may request special analyses, special reviews, meeting attendance, audits, presentations and reports. These special reviews are developed based on particular issues. The reviews could encompass financial reporting and general accounting; internal control—fixed assets; allowable cost—procurement; allowable cost—payroll; cash management; allowable cost—overhead; and /or project change—project management.
- b. Procurement Reviews. FTA may conduct a procurement system review to ensure that the requirements and standards of the Common Grant Rules on administrative requirements for non-federal assisted projects, 49 CFR Section 18.36 or 49 CFR Section 19.40 and the most recent version of FTA C 4220.1 as they specifically apply to procurements, are met. These reviews are conducted on-site and involve review of previous typical procurement as well as documentation of policies, processes and controls. For grantees that receive capital, planning, and/or operations funds, this type of review can be accomplished under FTA's oversight program.
 - c. Civil Rights Reviews. Civil rights compliance is required by recipients and sub-recipients of federal assistance. FTA's master agreement specifies that compliance is required and sets forth the terms and conditions governing the administration of a public transportation project or other projects supported with FTA financial assistance. FTA recipients should be aware, however, that they may be subject to civil rights requirements established and enforced by other federal agencies that may not recognize the FTA Master Agreement as dispositive of their responsibilities and that some responsibilities exist independent of FTA or other federal funding. FTA retains the right to review recipient compliance status at any time during the life of the project. FTA's Civil Rights reviews include Title VI, Disadvantaged Business Enterprise (DBE), Americans with Disabilities Act (ADA), and Equal Employment Opportunity (EEO) requirements.

3. PROJECT LEVEL REVIEWS.

- a. Specialized Oversight Strategies. From time to time, FTA has determined that a recipient presents the need for additional specialized oversight. In a few cases, FTA has designated a recipient or its project as a high-risk recipient under 49 CFR Section 18.12 and 49 CFR Section 19.14. In these cases, FTA may impose specific requirements as a condition to receive FTA assistance. These conditions are usually the result of specialized review provided by one or more or a combination of FTA contractors.
- b. Quarterly Project Management Meetings. Quarterly project management meetings may be instituted with selected recipients. These meetings provide a forum for management briefings, status/progress reports, discussion of accomplishments and problems and, as appropriate, an opportunity for site inspection. The quarterly meetings do not replace quarterly written reports.
- c. Other Project Management Meetings. Other project management meetings may be instituted with specific recipients at other time intervals at the discretion of the FTA administering office. These meetings provide a forum for management briefings, status/progress reports, discussion of accomplishments and problems and, as appropriate, an opportunity for site inspection. The meetings do not replace quarterly written reports.
- d. Site Visits. FTA may conduct on-site inspections of projects to evaluate the recipient's effectiveness in implementing the project in conformance with the Cooperative Agreement, Grant Agreement, or Other Agreement. Inspection visits may be made, for example, to follow up on information received from the recipient about an event with significant impact on a project or to determine whether the recipient has adequately complied with civil rights laws, regulations and agreements. Inspection and concurrence by FTA in project work does not relieve the recipient of its responsibilities and liabilities as the responsible party for carrying out the project.
- e. Peer Reviews. FTA may request recipients to participate in peer reviews with other recipients or industry experts to define objectives for projects and to evaluate technical progress. In the case that FTA intends to distribute information prepared by a recipient that is influential or highly influential scientific research as defined by OMB's "Final Information Quality Bulletin for Peer Review," dated December 16, 2004, FTA will follow procedures for peer review outlined in that bulletin.

Appendix A

TABLE OF OTHER FTA CIRCULARS

Circular	Topic	Date	Title
C 2710.1A	Accounting	07-18-88	Sampling Procedures for Obtaining Fixed-Route Bus Operating Data Required Under the Section 15 Reporting System
C 2710.2A	Accounting	07-22-88	Sampling Procedures for Obtaining Demand-Responsive Bus System Operating Data Required Under the Section 15 Reporting System
C 2710.4A	Accounting	07-22-88	Revenue Based Sampling Procedures for Obtaining Fixed-Route Bus Operating Data Required Under the Section 15 Reporting System
C 2710.6	Accounting	07-01-88	Section 15 Accounting and Reporting Release Number 1
C 2710.7	Accounting	07-01-88	Section 15 Accounting and Reporting Release Number 2
C 4220.1F	Procurement	11-01-08	Third-Party Contracting Guidance
C 4702.1A	Civil Rights	05-13-07	Title VI and Title VI-Dependent Guidelines for FTA Recipients
C 4704.1	Civil Rights	07-26-88	Equal Employment Opportunity Program Guidelines for Grant Recipients
C 4715.1A	Civil Rights	07-26-88	Human Resource Programs (Section 20) Application and Project Management Guidelines
C 5010.1D	Grants Management - General	11-01-08	Grant Management Requirements
C 5200.1A	Grants Management - General	12-05-02	Full-Funding Grant Agreements Guidance
C 5620.1	Grants Management - General	10-16-79	Guidelines for Preparing Environmental Assessments
C 5800.1	Safety and Security for Major Capital	08-01-07	Safety and Security Management Guidance for Major Capital Projects

Circular	Topic	Date	Title
	Projects		
C 7008.1A	Policy and Program Development	01-30-02	Financial Capacity Policy
C 7020.1	Policy and Program Development	04-26-90	Cross-Border Leasing Guidelines
C 8100.1C	Planning	09-01-08	Program Guidance for Metropolitan Planning and State Planning and Research Program Grants
C 9030.1D	Capital Facilities and Formula Grant Programs	05-01-10	Urbanized Area Formula Program: Program Guidance and Application Instructions
C 9040.1F	Capital Facilities and Formula Grant Programs	04-01-07	Non-urbanized Area Formula Program Guidance and Grant Application Instructions
C 9045.1	Formula Grant Programs	05-01-07	New Freedom Program Guidance and Application Instructions
C 9050.1	Formula Grant & Direct Apportionment Programs	05-01-07	The Job Access and Reverse Commute (JARC) Program Guidance and Application Instructions
C 9070.1F	Capital Facilities and Formula Grant Program	05-01-07	Elderly Individuals and Individuals with Disabilities Program Guidance and Application Instructions
C 9300.1B	Capital Facilities and Formula Grant Programs	11-01-08	Capital Investment Program Guidance and Application Instructions
C 9400.1A	Capital Facilities and Formula Grant Programs	06-09-95	Federal Transit Administration Design and Art in Transit Projects
C 9500.1	Capital Facilities and Formula Grant Programs	03-30-84	Intergovernmental Review of FTA Planning, Capital and Operating Programs and Activities

APPENDIX B

QUARTERLY NARRATIVE REPORT EXAMPLE

TITLE— <i>Quarterly Narrative Report</i> —RECIPIENT												
TEAM No. Project Manager: FTA Manager:					Overview				Financial Summary			
					Quarterly Period: Project Start Date: Project End Date:				Total Funding: Expended: Remaining: % Expended:			
Task Title:												
Project Description:												
Significant results and major work tasks started, completed or documented:												
\$1000s	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Estimated	5	10	15	20	25	30	35	40	45	50		
Actual	2	4.4	9.75	14	18.9	21.8	22.8	26.5	30.9			
Financial notes/Cost Variance (explain any cost overrun and measures taken to complete the project within budget):												
Subtasks		Start Date	Planned Complete Date		Revised Complete Date		Planned % Complete		Actual % Complete			
1												
2												
Technical/ Schedule Variance (Identify problem areas and the planned approach for resolution):												
Work Planned for Next Period:												
Other Items of Note, including significant events and project meetings planned or held:												

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APPENDIX C

COST ALLOCATION PLANS

1. REQUIREMENTS. Recipients that intend to seek FTA reimbursement for indirect costs must prepare a CAP and/or indirect cost rate proposal. The following are basic requirements for preparing a CAP.
 - a. CAPs and indirect cost rate proposals must be updated annually.
 - b. The updated plans must be retained and made available for review at the recipient's annual single audit.
 - c. Updated CAPs may be used on a provisional basis for the following FY with the provision that year-end adjustments must be made to actual costs.
 - d. The initial plan must be approved by FTA or another cognizant federal agency. For subsequent approvals, please refer below to Section 5 of this Appendix.
 - e. Additionally, all costs in the plan must be supported by formal accounting records to substantiate the propriety of eventual charges. The allocation plan of the recipient should cover all applicable costs. It should also cover costs allocated under plans of other agencies or organizational units which are to be included in the costs of other non-federal sponsored programs. To the extent feasible, CAPs of all agencies rendering assistance to the recipient should be presented in a single document.
 - f. Content. The CAP should contain, but need not be limited to the following:
 - (1) Nature and extent of services provided and their relevance to non-federal sponsored programs;
 - (2) Items of expense to be included;
 - (3) Methods to be used in distributing cost; and
 - (4) Appropriate Civil Rights data.
2. PURPOSE OF THE PLAN. The purpose of the plan is to guide the recipients' allocation of costs. The plan should ensure:
 - a. All activities of local government departments or state agencies have been considered;
 - b. Distribution of indirect costs is based on a method(s) reasonably indicative of the amount of services provided;
 - c. Services provided are necessary for successful conduct of federal programs;

- d. Level of costs incurred are reasonable;
 - e. Costs of state or local centralized government services may be charged in conformance with government-wide cost allocations plans; and
 - f. Costs claimed are allowable in accordance with the Office of Management and Budget (OMB) Circular A-87, as applicable.
3. DEVELOPMENT OF COST ALLOCATION PLAN. In planning the development of a CAP, recipient's should develop a CAP that identifies costs of supporting service units and allocates those costs to benefiting units on an equitable basis. The following is a list of components that should be included in a CAP:
- a. An organization chart;
 - b. Financial statements;
 - c. Cost allocation methodology;
 - d. Cost allocation rate proposal:
 - (1) Identification of costs of each type of service to be claimed,
 - (2) Determination of the method for allocating each type of service cost to users,
 - (3) Identification of units rendering/receiving service and associated costs,
 - (4) Description of services,
 - (5) Description of allocation base (consistency is important), and
 - (6) Summary allocation schedule for each service.
 - e. Proposal reconciliation with financial statements. (**Note:** Allocated costs must be reasonable and trackable to the financial statements);
 - f. Identification of federal award direct cost base; and
 - g. Certification of conformance with OMB Circular A-87. A proposal to establish a CAP or an indirect cost rate proposal will be unacceptable if the Certificate of Cost Allocation Plan or Certificate of Indirect Costs is omitted. The certificate must be signed on behalf of the governmental unit by an individual at a level no lower than chief financial officer of the governmental unit that submits the proposal or component covered by the proposal.
4. SUBMISSION OF COST ALLOCATION PLAN/INDIRECT COST RATE PROPOSALS. OMB Circular A-87 requires that the plan (called a proposal) be submitted

to a recipient's federal cognizant agency for approval. The CAP/indirect cost rate proposal should be submitted to the "cognizant" or "lead" federal agency when:

- a. The recipient is working on its first assistance project or has not previously had a CAP/indirect cost rate proposal reviewed and accepted;
 - b. The recipient has made a change in its accounting system, thereby affecting the previously approved CAP/indirect cost rate proposal and its basis of application;
 - c. The recipient's proposed CAP/indirect cost rate proposal exceeds the amounts and rate approved for the previous year(s) by more than 20 percent; or
 - d. The recipient changes the CAP/indirect cost rate proposal methodology.
5. PLAN APPROVAL. Most transit agencies are under the cognizance of the Department of Transportation (DOT). Whenever the cognizant agency gives prior approval to a government-wide CAP or Indirect Cost Rate Proposal, such approval is formalized, distributed to all interested federal agencies, and applicable to all federal grants in accordance with OMB Circular A-87.

An approved CAP or Indirect Cost Rate Proposal must be updated annually. The update should be retained and made available for review at the time of the recipient's organization-wide audit.

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APPENDIX D

REQUEST FOR ADVANCE OR REIMBURSEMENT (SF-270)

1. **GENERAL.** The recipient agrees to:

- a. New recipients must first provide financial information to enroll in the Automated Clearing House (ACH) system. Assistance will be provided by FAA's ESC and the Administering Office.
- b. Complete and submit an original Standard Form 270, "Request for Advance or Reimbursement" (See [Sample Request for Advance or Reimbursement Form](#) (SF-270) in Appendix D of this circular) to the FAA's ESC in Oklahoma City, Oklahoma, FTA's designated accounting center. All supporting documentation needed to support and justify the reimbursement of funds and satisfy the FTA project manager must accompany the SF-270.

Upon receipt of the SF-270 payment request, FTA will authorize payment by ACH deposit if the recipient is complying with its obligations under the approved project; has satisfied FTA that it needs the requested federal funds during the requisition period; and is making adequate progress toward the timely completion of the project. If all these circumstances are present, FTA may reimburse apparent allowable costs incurred (or to be incurred during the requisition period) by the recipient up to the maximum amount of federal funds payable through the fiscal year in which the requisition is submitted, as stated in the project budget.

2. **INSTRUCTIONS.** Instructions for completing an SF-270 are printed on its reverse side (see [instructions for completing request for advance or reimbursement form](#) [SF-270] in Appendix D of this circular). In addition, the following instructions should assist recipients in completing this form.

- a. Only the total column on this form should be completed, unless the project involves more than one funding ratio. In such instances, the other columns are also to be used.

In addition, recipients should round all figures to the nearest dollar; that is, amounts of \$.50 or over would be rounded to the higher dollar. For example: if the non-federal share is computed to be \$2,572.70, the amount reported would be \$2,573.

- b. Block #5—All requisitions should be numbered consecutively beginning with #1 as the first requisition. Suggested format should include the FY and sequential number for each individual voucher. For example, the payment request number for the recipient's first voucher submitted in FY 2007 would appear on the SF-270 as follows: 2007-001.

- c. Block #8—The first requisition covers the date the federal assistance was awarded (unless the project had pre-award authority, through the end of the period for which reimbursement is requested). When a requisition requests reimbursement only, the “ending” date will be the same date on which outlays are reported on line 11a of this form. If the reimbursement and/or an advance is being requested, the “ending” date should reflect the period through which the advance funds are needed.

All requisition report periods should run consecutively. For example, if a requisition is submitted for the period 1/1/07 to 3/31/07, the next requisition will begin 4/1/07.

- d. Block #9—The name of the recipient should be exactly as indicated on the Cooperative Agreement, Grant Agreement, or Other Agreement. Recipients should avoid abbreviation and spell out the entire name of the organization.
- e. Block #11—Line A—The “as of” date should be the date for which the recipient has actual costs recorded. This date should be the same as the “to” date, Block #8, unless the recipient is requesting an advance.

Line B—Represents the amount applicable to program income that was required to be used for the project or program by terms of the Cooperative Agreement, Grant Agreement, or Other Agreement.

Line D—Represents the estimated expenditures for the advance period, both FTA share and the local share.

Line F—Non-federal share of line E, depending on the funding ratio of a particular project.

Line G—Federal share of line E, depending on the funding ratio for a particular project.

Line H—Total of previous requisition(s) submitted. This line should not represent actual payment received because the recipient may have submitted a requisition that is in the process of being paid. Requisition #1 on this line should be zero.

Note that recipient should only complete the “total” column of Block #11, unless the Cooperative Agreement, Grant Agreement, or Other Agreement specified that there is more than one funding source supporting the project. In such cases, separate columns should be utilized for each funding sources.

Line I—Federal share now requested represents the total amount of the SF-270 reimbursement that will be forwarded to the recipient.

3. MAILING ADDRESS. The SF-270 should be sent by one of the following methods:

Via Regular Mail:	MMAC/DOT/FTA AMZ-150, Accounts Payable P.O. Box 269041 Oklahoma City, OK 73126-9041
Via Express Services:	MMAC/DOT/FTA AMZ-150, Accounts Payable, (405) 954-9579 HQ Bldg Rm 272-F 6500 South MacArthur Blvd. Oklahoma City, OK 73169
Via E-mail:	Scan and e-mail an electronic image of the invoice and supporting documentation (no more than 10 MB) to: FTACOOOPAGREE@faa.gov .

4. REVIEW OF THE SF-270. Each SF-270 for funds will be reviewed in light of the periodic Milestone Progress Reports (MPRs) and financial reports required for each project. Changes requiring amendments to the Cooperative Agreement, Grant Agreement, or Other Agreement, or prior approval of a budget revision must be approved before funds for these changes are requisitioned.

SAMPLE REQUEST FOR ADVANCE OR REIMBURSEMENT FORM (SF-270)

REQUEST FOR ADVANCE OR REIMBURSEMENT <i>(See instructions on back)</i>		OMB APPROVAL NO. 0348-0004		PAGE _____ OF _____ PAGES
		1. TYPE OF PAYMENT REQUESTED a. "X" one or both boxes <input type="checkbox"/> ADVANCE <input type="checkbox"/> REIMBURSEMENT b. "X" the applicable box <input type="checkbox"/> FINAL <input type="checkbox"/> PARTIAL		2. BASIS OF REQUEST <input type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL
3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED		4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY		5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST
6. EMPLOYER IDENTIFICATION NUMBER	7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER	8. PERIOD COVERED BY THIS REQUEST FROM (month, day, year) _____ TO (month, day, year) _____		
9. RECIPIENT ORGANIZATION Name: Number and Street: City, State and ZIP Code:		10. PAYEE (Where check is to be sent if different than item 9) Name: Number and Street: City, State and ZIP Code:		
11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED				
PROGRAMS/FUNCTIONS/ACTIVITIES ►	(a)	(b)	(c)	TOTAL
a. Total program outlays to date <i>(As of date)</i>	\$	\$	\$	\$ 0.00
b. Less: Cumulative program income				0.00
c. Net program outlays <i>(Line a minus line b)</i>	0.00	0.00	0.00	0.00
d. Estimated net cash outlays for advance period				0.00
e. Total <i>(Sum of lines c & d)</i>	0.00	0.00	0.00	0.00
f. Non-Federal share of amount on line e				0.00
g. Federal share of amount on line e				0.00
h. Federal payments previously requested				0.00
i. Federal share now requested <i>(Line g minus line h)</i>	0.00	0.00	0.00	0.00
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month			0.00
	2nd month			0.00
	3rd month			0.00
12. ALTERNATE COMPUTATION FOR ADVANCES ONLY				
a. Estimated Federal cash outlays that will be made during period covered by the advance				\$
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period				
c. Amount requested <i>(Line a minus line b)</i>				\$ 0.00
AUTHORIZED FOR LOCAL REPRODUCTION		(Continued on Reverse) STANDARD FORM 270 (Rev. 7-97) Prescribed by OMB Circulars A-102 and A-110		
13. CERTIFICATION				
I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OR AUTHORIZED CERTIFYING OFFICIAL		DATE REQUEST SUBMITTED	
	TYPED OR PRINTED NAME AND TITLE		August 13, 2007	
		TELEPHONE (AREA CODE, NUMBER, EXTENSION)		
This space for agency use				

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

INSTRUCTIONS FOR COMPLETING REQUEST FOR ADVANCE OR REIMBURSEMENT FORM (SF-270)

INSTRUCTIONS

Please type or print legibly. Items 1, 3, 5, 9, 10, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory; specific instructions for other items are as follows:

<i>Item</i>	<i>Entry</i>	<i>Item</i>	<i>Entry</i>
2	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.		activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
4	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.	11a	Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
6	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.	11b	Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
7	This space is reserved for an account number or other identifying number that may be assigned by the recipient.	11d	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
8	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.	13	Complete the certification before submitting this request.
<p>Note: The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.</p>			
11	The purpose of the vertical columns (a), (b), and (c) is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or		

APPENDIX E

FTA REGIONAL AND METROPOLITAN CONTACT INFORMATION

<u>Office</u>	<u>Area Served</u>	<u>Contact Information</u>
Region I	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont	Transportation Systems Center Kendall Square 55 Broadway, Suite 920 Cambridge, MA 02142-1093 Phone: (617) 494-2055 Fax: (617) 494-2865
Region II	New York and New Jersey	One Bowling Green Room 429 New York, NY 10004-1415 Phone: (212) 668-2170 Fax: (212) 668-2136
Region III	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia and West Virginia	1760 Market St Suite 500 Philadelphia, PA 19103-4124 Phone: (215) 656-7100 Fax: (215) 656-7260
Region IV	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee and U.S. Virgin Islands	230 Peachtree Street NW Suite 800 Atlanta, GA 30303 Phone: (404) 865-5600 Fax: (404) 865-5605
Region V	Illinois, Indiana, Minnesota, Michigan, Ohio and Wisconsin	200 W Adams St Suite 320 Chicago, IL 60606 Phone: (312) 353-2789 Fax: (312) 886-0351
Region VI	Arkansas, Louisiana, New Mexico, Oklahoma and Texas	819 Taylor St Room 8A36 Forth Worth, TX 76102 Phone: (817) 978-0550 Fax: (817) 978-0575
Region VII	Iowa, Kansas, Missouri and Nebraska	901 Locust, Suite 404 Kansas City, MO 64106 Phone: (816) 329-3920 Fax: (816) 329-3921

Region VIII	Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming	12300 W Dakota Ave. Suite 310 Lakewood, CO 80228–2583 Phone: (720) 963-3300 Fax: (720) 963-3333
Region IX	Arizona, California, Hawaii, Nevada, Guam, American Samoa and Northern Mariana Islands	201 Mission St Room 1650 San Francisco, CA 94105–1839 Phone: (415) 744-3133 Fax: (415) 744-2726
Region X	Alaska, Washington, Oregon and Idaho	Jackson Federal Building 915 Second Ave, Suite 3142 Seattle, WA 98174–1002 Phone: (206) 220-7954 Fax: (206) 220-7959
Lower Manhattan Recovery Office	Lower Manhattan	One Bowling Green, Room 436 New York, NY 10004 Phone: (212) 668-1770 Fax: (212) 668-2505
New York Metropolitan Office	New York Metropolitan Area	One Bowling Green, Room 428 New York, NY 10004–1415 Phone: (212) 668-2201 Fax: (212) 668-2136
Philadelphia Metropolitan Office	Philadelphia Metropolitan Area	1760 Market Street, Suite 510 Philadelphia, PA 19103–4124 Phone: (215) 656-7070 Fax: (215) 656-7269
Chicago Metropolitan Office	Chicago Metropolitan Office	200 West Adams Street Suite 2410 (24th floor) Chicago, IL 60606 Phone: (312) 886-1616 Fax: (312) 886-0351
Los Angeles Metropolitan Office	Los Angeles Metropolitan Area	888 S. Figueroa, Suite 1850 Los Angeles, CA 90012 Phone: (213) 202-3950 Fax: (213) 202-3961
Washington, DC Metropolitan Office	Washington, DC Metropolitan Area	1990 K Street NW Suite 510 Washington, DC 20006 Phone: (202) 219-3562/3565 Fax: (202) 219-3545

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